

Weekend

FINANCIAL TIMES

Weekend FT
The Hollywood
extras factory

SECTION B

World Business Newspaper

Intrigue of the
Vinland map

FASHION'S
dangerous
liaisons

WEEKEND JUNE 29/JUNE 30 1996

New concerns over Yeltsin's health ahead of election

Russia's political uncertainty deepened yesterday when President Boris Yeltsin missed an important meeting, sparking concerns ahead of presidential elections on Wednesday that he may be suffering serious health problems. Senior government officials said Mr Yeltsin had a "sore throat" brought on by a hectic campaign schedule, but the president's failure to appear in public since Wednesday has prompted fears that he may have suffered another heart attack. The speculation sent Russian stocks and bonds tumbling from this week's highs. Page 22

Mortar attack rocks UK army barracks in Germany

A mortar attack on a British army barracks near Osnabrück in Germany set off explosions but no injuries were reported, German police said. The British army said the attackers appeared to have fired two mortars from a van outside the gates. German investigators said the attack appeared to be the work of the Irish Republican Army.

Japan's jobless total at record level:
Japanese unemployment hit 5.8 per cent last month, the highest since records began in 1953 and proof that the country's economic recovery has not relieved the pressure on jobs. Page 22

Lourio confirmed plans to float off its hotel and African trading interests by next year. The move to break up the UK conglomerate is designed to leave Lourio as a focused mining group under the wing of Anglo American Corporation, South Africa's largest company. Page 4; Results, Page 6; Lex, Page 22

Lloyd's of London is set to exclude many of its US names from underwriting next year unless state securities regulators retreat over legal action they are pursuing against the insurance market. Page 4

German defence ministry faces big cuts:
German defence minister Volker Rühe faces a humiliating setback next week when he is expected to have to cut about DM100m (\$45m) from his 1997 budget so Germany can meet the Maastricht budget deficit criteria. The cuts are likely to affect some high profile European defence projects. Page 22;

Welfare reforms plan clear early hurdle, Page 3

Wall Street helps to lift London shares:
FT-SE 100 index US treasuries lifted UK stocks which have threatened to fall below 3,650 on the FT-SE 100. At the end of a relatively busy session the FT-SE 100 closed 32.2 higher at 3,711. Over a week badly affected by sporting distractions, the FT-SE 100 had threatened to slide due to a lack of interest by fund managers. Yesterday's rally reduced the fall in the FT-SE 100 over the five days to only 11.3 points. London stocks, Page 17; World stocks, Page 17; Markets, Weekend Page XX; Divided over the rules, Page 8

Spain's go-ahead for sell-off plan: Spain's centre-right government gave the go-ahead to an ambitious privatisation plan for state shareholdings which it said were worth Pta2,500bn-Pta3,000bn (\$30bn-\$24bn) overall. But it would not disclose its timetable or targets for revenues. Page 2

Planet Hollywood in casino venture: US leisure group, ITT, is joining forces with the Planet Hollywood restaurant company to open a chain of "theme" casinos featuring movie memorabilia and guest appearances by screen stars. Page 5; World stocks, Page 17; Lex, Page 22

Deadline extended on N-tast ban talks:
International negotiators trying to complete a global nuclear test ban treaty were given an extra month to sort out their differences on key issues after their meeting in Geneva.

James Bond producer dies: Albert "Cubby" Broccoli, the US producer of the successful James Bond series of films, has died aged 87 at his home in Los Angeles. As well as 17 Bond films he made the children's classic *Chitty Chitty Bang Bang*.

Becker out of Wimbledon: Men's second seed Boris Becker withdrew from the Wimbledon tennis championships with a suspected fractured wrist during a third round match against South Africa's Neville Godwin.

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Inquiry to cover possible collusion by Chinese companies to control copper prices

Sumitomo to probe cartel allegation

By Emiko Terazono in Tokyo
and Kenneth Gooding
and Clay Harris in London

Sumitomo Corporation said yesterday that a key part of its investigation into huge copper losses would be possible collusion between Mr Yasuo Hamanaka, its former head trader, and Chinese companies to control international prices.

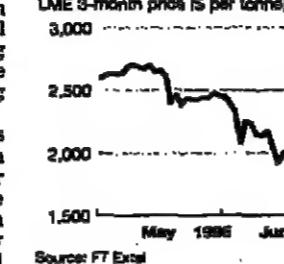
Japanese prosecutors also said they were considering a criminal probe into the activities of Mr Hamanaka, who was dismissed earlier this month after Sumitomo blamed him for losses estimated at \$1.8bn. Copper market traders believe the losses could be as much as \$4bn.

Both statements followed a Financial Times investigation, published yesterday, which revealed the attempts to force prices by the Japanese trading house, in tandem with Chinese state-owned companies, during the past decade.

Although Sumitomo officials refused to comment yesterday on the report, which showed that Mr Hamanaka was able to force prices higher or lower at will on the London Metal Exchange, they said their investigation would include the possible price cartels.

"We think the copper cartel allegation will be one of the key points in our investigation with regulatory authorities," Sumitomo said. "It's going to be a very

Copper



long investigation and we would not exclude anything."

Officials of China National Non-Ferrous Metals Import and Export Corporation, one of the

companies with which Mr Hamanaka had close ties, declined to comment.

Representatives of Britain's Serious Fraud Office and Securities and Investments Board and the US Commodity Futures Trading Commission met Sumitomo officials yesterday to ask for information on trading between Mr Hamanaka and brokers in the UK and US.

Meanwhile, Mr David Threlkeld, the trader who, when on the LME, in 1991 received a handwritten letter from Mr Hamanaka asking for a backdated invoice for a fictitious trade, said he still had not been contacted for information by any of the UK or US regulatory authorities investigating the affair.

But he and other US traders had been asked for documents by the Federal Bureau of Investigation, probably in connection with a grand jury investigation soon to be held in New York.

In London, the LME held a special board meeting, which traders suggested was intended to bring directors up to date with copper market conditions.

However, Mr David King, the exchange's chief executive, is believed to have urged directors to tell LME members to stop contributing to rumours swirling around the market.

Copper prices ended a volatile and nervous week on a positive note at 12.5 per cent above Tuesday's low at \$1,963.50 a tonne.

Commodities, Page 7
World Stocks, Page 17

Clinton yields to pressure over US trade initiatives

Recent 'go-it-alone' policies by Washington worry G7 nations

By Guy de Jonquieres and
David Buchan in Lyons

US President Bill Clinton yesterday yielded to strong pressure from leaders of the world's other main economic powers concerned about recent US trade initiatives.

Mr Clinton joined his Group of Seven partners in signing a joint declaration committing governments to avoiding trade and investment measures which violate World Trade Organisation rules and codes of conduct agreed in the Organisation for Economic Co-operation and Development.

The declaration was said by other world leaders at the economic summit of the G7 leading industrial countries to amount to a clear condemnation of recent US unilateral trade initiatives.

They insisted on the declaration to underline their concern at the US Helms-Burton Act, which allows private legal actions against foreign companies doing business in Cuba, and at moves in Congress to authorise US sanctions on companies investing in Iran and Libya.

The leaders gave a boost to the WTO by strongly re-affirming their commitment to the multilateral trade system and endorsing an outline agenda for the WTO's first ministerial conference, to be held in Singapore in December. They called on the

conference to discuss issues including links between trade and international investment and competition policy, and to explore the possibility of negotiating further industrial tariff cuts.

However, they rebuffed demands by the US, France and the European Commission for the WTO to discuss trade and labour standards, noting only there was "a will to address the question".

The leaders welcomed "the broad movements in major currencies since April 1995", which they called "positive and promising developments which helped to improve the conditions for sustained growth across the G7".

They warned that tax schemes which created harmful competition between governments risked distorting trade and investment and could erode countries' ability to raise tax revenues.

The summit was last night

Continued on Page 22

Germany backs G7 plan, Page 3

French president Jacques Chirac (right) greets Bill Clinton at the opening session of the summit in Lyons. The US president joined his G7 partners in signing a trade declaration.

Picture: Associated Press

Islamist party forms historic secular coalition in Turkey

By John Barham in Ankara

Turkey's Islamist Refah party yesterday announced a coalition with the socialist conservative True Path party of Mrs Tansu Ciller, Mr Necmettin Erbakan, its leader, said: "The new government is formed. A coalition agreement was signed and we will announce it at 11am today."

The agreement follows six months of political disarray in Turkey and ends weeks of speculation over the progress of talks which began after the collapse in May of Mr Ciller's conservative alliance with the Motherland party of Mr Mesut Yilmaz, the caretaker prime minister.

Mr Erbakan, 68, is to be the prime minister. This is the first

time since the establishment of Turkey's secularist republic in 1923 that an Islamist has taken control of the government. Mr Erbakan served as a junior partner in three coalitions in the 1970s but did not have a main role in government.

He said the government's new ministers would formally take office at midday and scheduled the first cabinet meeting for one o'clock this afternoon, but did not indicate what policies his government would follow.

Refah will control the finance, justice and culture ministries and have a majority in the cabinet. True Path will hold the more important interior, defence and education ministries. Mrs Ciller will also serve as deputy prime minister and foreign minister. Mr

Continued on Page 22

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NEWS: EUROPE

Spain gives go-ahead for privatisation

By David White in Madrid.

Spain's centre-right government yesterday gave the go-ahead to an ambitious privatisation plan for state shareholdings which it said were worth Pta2.500bn-Pta3.000bn (\$20bn-\$24bn).

But it would not disclose its timetable or targets for privatisation revenues, which it promised to use for servicing government debt.

Its reluctance to specify disposal plans appeared aimed at heading off labour protests, after the two main union federations announced joint plans to defend jobs in the public sector.

The government said some companies were ready for "immediate" privatisation. These are expected to include the government's remaining minority stakes in Telefónica, the Repsol oil concern and the Argentaria banking group.

Mr Josep Piqué, industry minister, said privatisation offerings on the stock market could be expected "in the very near future".

He denied that the government had approached Repsol's main Spanish banking shareholders with a view to a direct sale of the government's remaining 10 per cent stake.

The terms of the last Repsol placement rule out another public offering before February.

He said the emergence of "hard-core" shareholders in former state companies was a result of "the workings of the market", and the government

would not actively encourage them.

He added that investors aiming to take a dominant position in privatised companies might have to pay a premium.

In some cases the government might use existing legislation to retain a measure of control - in effect a golden share - but not on a generalised basis nor for an indefinite period.

State holdings have been divided into four categories:

- Priority disposal candidates;
- Sectors first requiring deregulation, for instance new ground rules in the electricity industry before the state reduces its two-thirds stake in the utility Endesa;
- Companies needing "consolidation" before they can be sold, such as the Iberia airline;
- Companies now surviving on state aid which may become privatisation candidates "in the medium or long term".

Mr Piqué foresees no early decision on Spain's state-owned shipyards, which were scheduled to emerge from losses in 1998.

"We will see how things go," he said.

Changes in the holding structure for state interests involve scrapping Téneo, a unit set up by the previous government in 1982 as a conglomerate of theoretically viable companies.

This is the second reorganisation in less than a year, following the abolition of Instituto Nacional de Industria, the giant holding group created by the Franco regime.

Yugoslavia shifts stance on debt negotiations

By Kevin Done,
East Europe Correspondent

The Federal Republic of Yugoslavia yesterday made a significant change in its previously hardline policy towards the international financial community, by opening negotiations with its commercial bank creditors on its foreign bank debt.

Chairman of the London Club of commercial banks holding former Yugoslav debt, last night said the two sides had begun discussions "aimed at

normalising economic relations between Yugoslavia and the world's financial community".

The meeting held in London yesterday was the first between Belgrade and its foreign bank creditors for five years.

In a further softening of its stance towards the west, rump Yugoslavia - Serbia and Montenegro - said it was seeking both to renegotiate its sovereign debt and to secure a credit rating "in advance of approaching the international debt markets". It has appointed National Westminster Bank of the UK as its financial adviser.

Mr Vuk Ognjanovic, Yugoslav federal minister without portfolio, who headed yesterday's negotiations with the London Club, said in a statement that the international capital markets were "important to the republic's ability to manage economic recovery and fiscal reforms".

Belgrade also signalled that it might be preparing to embark on economic reforms, including the privatisation of some key state utilities.

The Yugoslav government

said NatWest had been appointed as sole financial adviser to the Public Enterprise of PTT Traffic Serbia, the telecoms utility. The bank said it would be financial adviser and global co-ordinator for all aspects of the telephone company's privatisation and any fund-raising moves in international capital markets.

Belgrade had been in a collision course with the international financial community. Earlier this year it launched a controversial legal action in the High Court in London against its foreign bank creditors in a vain attempt to halt the London Club's separate debt deal with Slovenia.

In an effort to overcome Belgrade's previous intransigence, the banks have pursued separate debt negotiations with the other four states which emerged from the collapse of former Yugoslavia.

The London Club has finalised deals with Slovenia and Croatia, under which the two countries are taking on 16 per cent and 20.5 per cent respectively of the \$4.4bn commercial bank debt of former Yugoslavias, and it has reached the

first stage of agreements with both Macedonia and Bosnia-Herzegovina.

Belgrade has not yet abandoned the legal action in London, but it is understood that no more action will be taken as long as the negotiations with the London Club proceed. The next round of talks is scheduled for mid-July.

Mr Ognjanovic and Mr Robert Gryne, chairman of the banks' International Co-ordinating Committee, said in a joint statement last night that the meetings had been held in a constructive spirit.

Football final nets political harmony

By Vincent Boland in Prague

The meeting between Germany and the Czech Republic in tomorrow's final of Euro 96, the European football championship, has helped bring their political teams together.

President Roman Herzog of Germany wrote to his Czech counterpart, Mr Vaclav Havel, after the Germans beat England in the competition's semi-finals.

Havel, who will turn 82 midway through the tour, will probably retire at the end of the season, but Banesto will be the national launch, the bank expects to have 300,000 clients for the account by the end of the year.

Indurain, who will turn 32 in July, has tested his product in selected branches and is now satisfied with the mix of surprise prizes, points for gifts and modest interest. With Indurain kick-starting the national launch, the bank

expects to have 300,000 clients for the account by the end of the year.

Weekend FT, Page VI

German welfare reform plans clear early hurdle

By Peter Norman in Bonn

The German government yesterday pushed a large part of its controversial programme of spending cuts and welfare restructuring through the Bundestag, the lower house of parliament, but the package must clear further legislative hurdles before it becomes law.

Plans to trim sick pay, make economies in the health service and reduce legal protection against dismissal for workers in small enterprises employing 10 people or fewer passed their second and third readings after five hours of angry debate.

But, because of a procedural error by the government, the Bundestag will have to reconvene for a special session on July 9 for the third reading of legislation to make economies in the state pension system.

The Bundesrat, the opposition-dominated second chamber representing the federal states, will debate the package on July 19 and has already



Miguel Indurain hopes for a record-breaking sixth consecutive win in the Tour de France cycle race which starts today

made clear it will demand modifications. These will be considered by the conciliation committee of both houses before another special session of the Bundestag on August 28.

Final parliamentary passage of the measures is expected in the second week of September, when the federal budget for 1997 is also due for its first reading in the Bundestag.

The government's measures are designed to cut federal government spending by DM350bn (\$162bn) next year and reduce outlays by the state pension and health insurance funds by a further DM200bn. The federal states, or Länders, are also trying to find spending cuts of DM25bn by a July 5 deadline.

The federal government savings are needed to hold down the budget deficit and help finance tax reductions planned for next year, including 1 percentage point of the unpopular 7.5 per cent "solidarity surcharge" that is added to income and corporation tax rates.

Opposition parties on the left and right accused the government of fawning to the popu-

larities in the health and pension sectors are designed to cap rising contributions from employers and employees which have added to Germany's notorious labour costs, damaging the country's international competitiveness and boosting unemployment.

In yesterday's debate, Mr Oscar Lafontaine, leader of the opposition Social Democratic party, accused the government of seeking to sacrifice Germany's welfare state to globalisation.

The package would create no jobs, he insisted.

He said his party and the 350,000 trade unionists who demonstrated in Bonn two weeks ago were not opposed to all cuts but these had to be socially just.

Mr Horst Seehofer, health minister, said the economics planned in the health service were intended to ensure that even the poorest could be given expensive treatment such as kidney transplants in the future.

Opposition parties on the left and right accused the government of fawning to the popu-

late points according to the balance of their *Extrabanco* and then choose household goods from a catalogue offering virtually everything from bathroom suites to colour television sets.

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Weekend FT, Page VI

Government accused of fawning to popularity of big football clubs

Lisbon setback over club debts

By Peter Wise in Lisbon

Similar plans, including one approved by the previous government two years ago, have not proved effective. But Mr Augusto Mateus, economy minister, said he believed Portuguese interest rates would be reduced by 3-4 percentage points over the next year, AP reported.

"We have kept inflation low and we believe there is room

slowly to reduce interest rates over the next year," Mr Mateus said.

The minister added it was imperative Portugal was one of the first to join in a single European currency. "Portugal is very interested in a single currency because it reduces the cost of doing business."

Security arrears amount to almost twice the budget deficit.

Mr António Sousa Franco, finance minister, told parliament that Portugal was "hypersensitive" to the football issue because the previous centre-right government "defended a general election in October, had left the tax system in 'chaos'". A "time bomb" had been left in the hands of the government, which now faced a latent tax revolt, he said.

The clubs currently receive only 50 per cent of football pool revenues; the remainder is paid to charities and welfare organisations. If the government measure had been approved, the remainder would be funded from other state resources.

The row has deflated the impact of a more important government plan to instil a more dutiful attitude to taxation in the Portuguese and recover part of tax and social security arrears that amount to almost twice the budget deficit.

On the eve of the debate on the football proposal, the government announced a plan that would enable all companies and individuals to pay tax arrears in instalments over 12½ years at low interest rates.

The country's remarkable progress to the final of the championship has even sparked a mini-consumer boom. Stores have reported a huge rise in the sale of television sets, while every airline ticket to London was sold out within 24 hours of the country's win over France.

If the team's success has surprised the country, it has also surprised some of the players. Vladimir Smicer, the striker who scored the equaliser against Russia that guaranteed the Czechs a place in the quarter-finals, had planned his wedding for yesterday, presumably thinking he would be back in Prague. A local stockbroking firm stepped in to provide a private aircraft to whisk him home for 24 hours.

When Czechoslovakia won the 1976 final against West Germany, half the team was Slovak. Now a smaller Czech Republic takes on a bigger Germany, adding a sharper edge to an old rivalry. But for some Czechs it is the wrong opponent in the wrong game. The most intense sporting rivalry is between the Czechs and the Russians in the game of ice hockey.

"Czechs take a certain pride in beating the Germans, but the rivalry is more intense against Russia because the historical experience is more recent," said Mr Jiri Pele, a political analyst.

He conceded the finance ministry in Warsaw might be losing out. "But on the other hand it gets income from the Poles doing business with their reassembled cars, and there are always those Poles who would pay the full duty rather than dismantle their expensive new car."

But no matter which piece of the car manages to make it across to Zgorzelec, the Poles have to pay something. "There is the minimum duty of \$550 and generally duty is halved for smaller components such as a set of wheels. I reckon a dismantled car would save its owner about 50 per cent of the customs duties," said Mr Jan Czajkowski, another customs official.

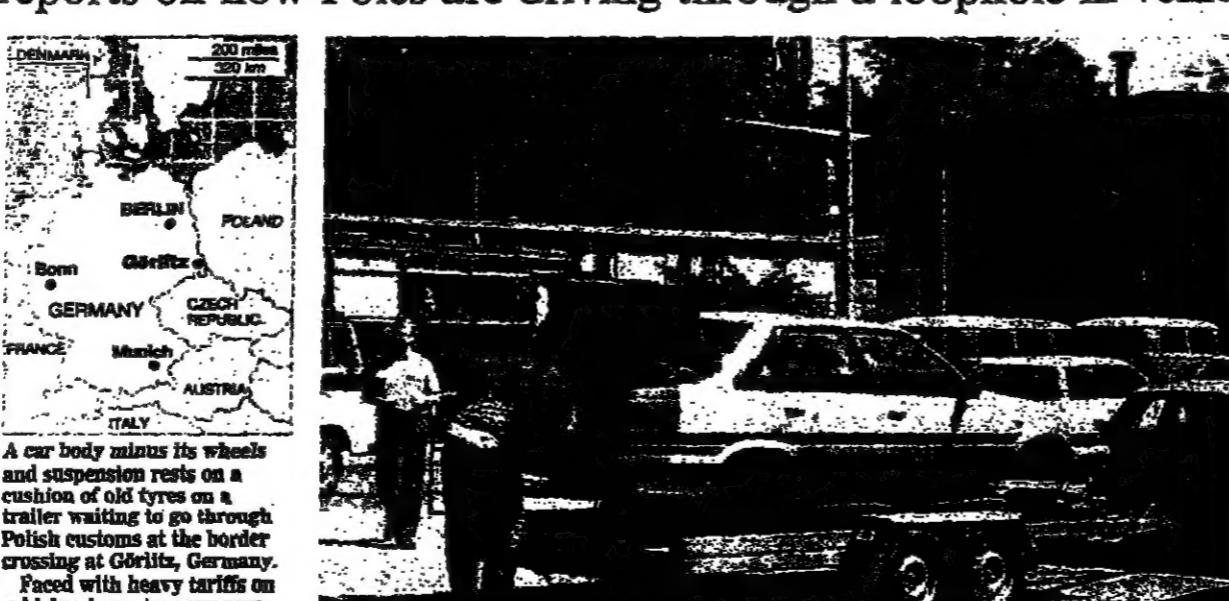
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But for Mr Czajkowski, if it means saving money, he has no qualms about dismantling his car.

"That's all very well if the car is for your own personal use," said Mrs Milkowska. "But if you have some dealers specialising in reassembling cars and wanting to sell them fast to make a quick buck, be warned. If you see part of a car going in one direction and the wheels in another, you know how it got into Poland."

Car importers take apart customs regulations

Judy Dempsey reports on how Poles are driving through a loophole in vehicle tariffs



Picture: Wang Ping

For nearly two years, Poland has been using a loophole in European Union customs regulations to import vehicles duty-free. The practice, known as "dismantling", involves stripping cars of parts and then reassembling them at the Polish side of the border.

Under Polish regulations, anyone wanting to import a complete car into Poland must pay a minimum of Ecu1,500

(\$1,900), rising to Ecu2,500 depending on the value of the car. Importers have to pay 22 per cent of the car's value, plus a 22 per cent value added tax. If only the body of a car is imported, there is a minimum duty of only \$550. "You see why we don't want to pay the full amount," said Plotr, Mr Ziehn's friend and caretaker of the Polish side.

Mr Ziehn, a 28-year-old computer programmer, is one of thousands of Poles who travel across to Germany, stay with friends and do odd jobs in order to save up and buy a car. But because of Poland's prohibitive import duties, the only way to get the car cheaply is to dismantle it.

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Mr Ziehn, a 28

INTERNATIONAL NEWS DIGEST

Burundi calls for intervention

Foreign military intervention in Burundi to try to stop the violence between majority Tutsis and minority Hutus is looking increasingly likely following a call for help by the government. Six African leaders emerged from Tuesday's meeting in the Tanzanian town of Arusha acknowledging only that they had agreed to set up a technical committee to study an official request for "security assistance". But diplomats said yesterday the Burundi government, which in the past has consistently rejected UN calls for intervention, had asked for a foreign security force to protect politicians, civil servants and key installations.

In an implicit acknowledgement of the role played by the Tutsi-dominated security forces, terrorising the countryside in a bid to wipe out support for Hutu rebels, the leadership also asked for help to retrain the police and gendarmerie and end the army's role in maintaining public order.

Proposals being discussed include sending in a force of Tanzanian and Ugandan troops, with Kenya contributing police, and western countries, who have made it clear they are unwilling to offer any troops, providing the funding.

Tanzania, exasperated by the influx of thousands of refugees from Burundi, is willing to act. The involvement of Uganda, which has close ties to the Tutsi-dominated government in Rwanda, is aimed at reassuring Burundi's Tutsi minority.

Michèle Wrong, Nairobi

Swiss sign Cuba investment pact

Switzerland has become the 17th nation to sign a bilateral investment promotion and protection agreement with Cuba. The agreement comes three months after the introduction by the US of legislation aimed at discouraging foreign investment on the island. At a signing ceremony in Havana yesterday, Mr Nicolas Imboden, a senior Swiss trade official, said the agreement would help to create conditions for future Swiss investment in Cuba. He said current bilateral trade levels were very low.

Switzerland is the fifth west European state to sign an investment accord with Cuba after Italy, Spain, Britain and Germany.

Pascal Fletcher, Geneva

Netanyahu aide meets Arafat

Mr Benjamin Netanyahu, Israel's hawkish prime minister, has sent a top aide for a ground-breaking meeting with Mr Yasir Arafat, president of the Palestinian Authority, it was announced yesterday. Mr Dore Gold, Mr Netanyahu's influential foreign policy adviser, met Mr Arafat secretly in the Gaza Strip on Thursday. It was the first encounter between an official of Israel's new rightwing administration and Mr Arafat, demobilised by Mr Netanyahu until recently as a "terrorist". Palestinian officials hailed the Gaza meeting as a prelude to face-to-face talks between Mr Netanyahu and Mr Arafat.

Yaronit Trajman, Jerusalem

Thai bank opens in Anhui

Thai Military Bank has opened an office in the Chinese province of Anhui, the first foreign bank to do so. The office, in the provincial capital of Hefei, will provide consultation, liaison and market research services and is considering some direct investment and lending activities.

In the past, Chinese authorities have selected Thai banks to be the first foreign financial institution to operate in some provinces - Bangkok Bank and Krung Thai Bank in Yunnan province for example - especially in southern China, where many of families which control Thailand's top financial institutions emigrated from in the first part of this century.

Ted Berndt, Bangkok

Shipping talks off until 2000

Trade negotiators yesterday decided to suspend stalled talks on liberalising ocean shipping and other maritime services, and resume them in the year 2000. The two-year-old negotiations, under the auspices of the World Trade Organisation, were blocked at the end of last month by the refusal of the US to take part in a multilateral deal.

Under yesterday's agreement talks will restart at the same time as other WTO services negotiations.

The WTO's most-favoured nation (non-discrimination) precept will continue to be suspended in the maritime sector until new talks are concluded.

Frances Williams, Geneva

Norway in whaling protest

Norway staged a symbolic walkout from a session of the International Whaling Commission's annual conference yesterday, to express its irritation at a resolution censuring it for continuing to hunt whales in the North Atlantic. Mr Karel Bryn, the Norwegian whaling commissioner, said: "The IWC has got into the habit of passing resolutions against Norway at every annual meeting. It is extremely irritating and we would like this practice to stop. We are completely within our rights doing the whaling we do."

Norway is not bound by the worldwide moratorium on commercial whaling because it exercised its right to object to it when it was agreed by the IWC.

The uneasy stand-off among the IWC's 88 members is set to continue, with Norway and Japan carrying out a small amount of whaling, while other former whaling nations such as the US and the UK condemn them and urge them to stop.

James Buxton, Edinburgh

US attacks dam 'hypocrites'

The US yesterday accused leading western countries of hypocrisy for failing to follow its example of withholding export credits to China for the controversial Three Gorges dam project.

Mentioning Germany and the UK, Ms Eileen Claussen, assistant secretary of state responsible for international environmental and scientific affairs, said: "A lot of industrialised nations speak a good game on the environment but don't follow through on action."

The US Export-Import Bank, acting on advice from the government, announced last month that it would not be providing finance for the \$30bn project. Plans for the hydro-electric dam would force 1.1m people to move, and devastate local ecosystems.

Leyla Boulton, London

Nickel mine to reopen

A large nickel mining and refinery complex on Nonoc island in the southern Philippines is to be reopened by a consortium of Hong Kong and Philippines investors and Trafalgar House, it was announced yesterday. The project, which involves refurbishing a nickel mine and supporting infrastructure, is likely to cost \$500m, said Mr John Fletcher, managing director of Trafalgar House corporate development.

Trafalgar, acquired earlier this year by Kværner, the Norwegian engineering and shipping group, is to take an equity stake in the project alongside Pacific Nickel, which comprises Philippines industrialists and Hong Kong investors, including the Kadoorie family.

John Ridderup, Hong Kong

Court rallies to PTT colours

The lime green corporate livery of PTT Telecom, the Dutch telephone utility which is part of the privatised KPN group, was yesterday upheld by a court in The Hague as constituting a protected trademark in the sector. In a ruling sought by KPN the court said Lacks, an equipment supplier, could not use in its advertising a shade so similar that the public might wrongly think its products were those of PTT.

Since partial deregulation of the industry in 1989, numerous niche players have sprung up, and even shop fronts of private fax bureaux commonly use the same hue. An official at KPN, which has regarded this as a test case, warned: "If other companies try to ride on our green bicycle, we will go to court again."

Gordon Cramb, Amsterdam

Germany curbs G7 'gold for poor' plan

By Robert Chotz and Bruce Clark in Lyons

Germany remained isolated in its approach to poor country debt relief yesterday, arguing that sales of international gold reserves would be too much for the public to swallow at a time of nervousness about the costs of European monetary union.

But Mr Robert Rubin, the US treasury secretary, predicted at the Group of Seven summit in Lyons yesterday that there would eventually be agreement to sell and reinvest some of the International Monetary Fund's gold reserves to help pay for debt relief.

The IMF management has proposed that \$2bn of its \$40bn gold reserves should be sold and reinvested. This would help pay for its contribution to a joint initiative with the World Bank and government creditors that aims to reduce the debts of up to 20 poor countries to sustainable levels.

Germany's Chancellor Helmut Kohl said he doubted whether sales of IMF gold were likely or desirable. "I have serious doubts about whether it would be wise in the present situation, when we have to fight a battle about introducing the euro," he said, referring to the proposed single European currency.

Mr Rubin welcomed the fact that leaders of the Group of Seven leading industrial nations had agreed a comprehensive framework to tackle poor country debt at the summit. Germany conceded that this should involve "greater concessionality" in lending under the IMF's enhanced structural adjustment facility (ESAF).

"What this points to is the sale of a small portion of the IMF's gold," Mr Rubin said. But Mr Kohl said it would not be realistic to promote a policy of gold sales when there were grave doubts about the proposal in Germany.

Gold sales require 85 per cent support in the IMF's board. Mr Kohl said it was unclear whether proponents of gold sales could muster such a majority, although some officials said the Germans had conceded privately that they did not think they could assemble a 15 per cent blocking vote.

"We do not want to start discussing the sale of gold reserves," said Mr Kohl, adding that the issue was an emotional one for the German government as it contemplates how to reach the borrowing target in the Maastricht treaty. The Germans blocked any reference to gold sales in the summit communiqué, agreeing only that "if needed, the IMF should consider optimising its reserve management in order to facilitate the financing of ESAP". British and US officials said this was in effect an admission that gold would eventually have to be sold.

The G7 leaders also urged the Paris Club of bilateral creditors to go beyond the 87 per cent debt relief available to poor countries under the so-called Naples terms. World Bank officials said that this was not as strong a message as they would have liked and that without a significant contribution to the debt initiative from the Paris Club, the "numbers do not add up".

The summit also laid out a detailed prescription for the reform of the UN's work in the field of development, aimed at trimming bureaucracy and cutting the number of agencies with overlapping functions.

The G7 called for the appointment of a single official to co-ordinate the three departments of the UN secretariat that are responsible for development. The same official, who would have the rank of Under Secretary-General, would act as executive secretary to Ecosoc, the panel of governments which oversees the UN's complex array of economic agencies.

The summit skirted round the future of Mr Boutros-Ghali, the UN secretary-general, although Mr Nicholas Burns, the US State Department spokesman, reaffirmed Washington's determination to block any extension of the Egyptian diplomat's mandate at the end of this year.

The G7 suggested that where rationalisation was needed, UN-supported funds and programmes could be merged with those of the UN Development Programme, which is seen as one of the more promising agencies. It also called for the harmonisation of those of the UN's population control agency and Unicef, the UN Children's Fund.

Diplomats said these recommendations marked a breakthrough in the G7's efforts to promote UN reform.

Vietnam's old guard shows who's boss

Despite a fast-reforming economy, the Communist party congress is parading the old certainties



Smashing peaceful evolution: party general secretary Do Muoi (right) assists former prime minister Pham Van Dong on a visit to the Ho Chi Minh mausoleum in Hanoi yesterday

vision cameras unwittingly catching them later nodding off during longer speeches.

The political report repeated Hanoi's frequently-made commitment to continuing the last 10 years of incremental economic reforms, known as *doi moi* (renewal). This has transformed the country from a poverty-stricken international pariah to a magnet for foreign investment and engagement by the US, the European Union and its neighbours in south-east Asia.

Income in the cities are rising fast and most people can afford refrigerators, motorbikes and other consumer goods. In Ho Chi Minh City, the commercial capital, average per capita income is already \$800 a year.

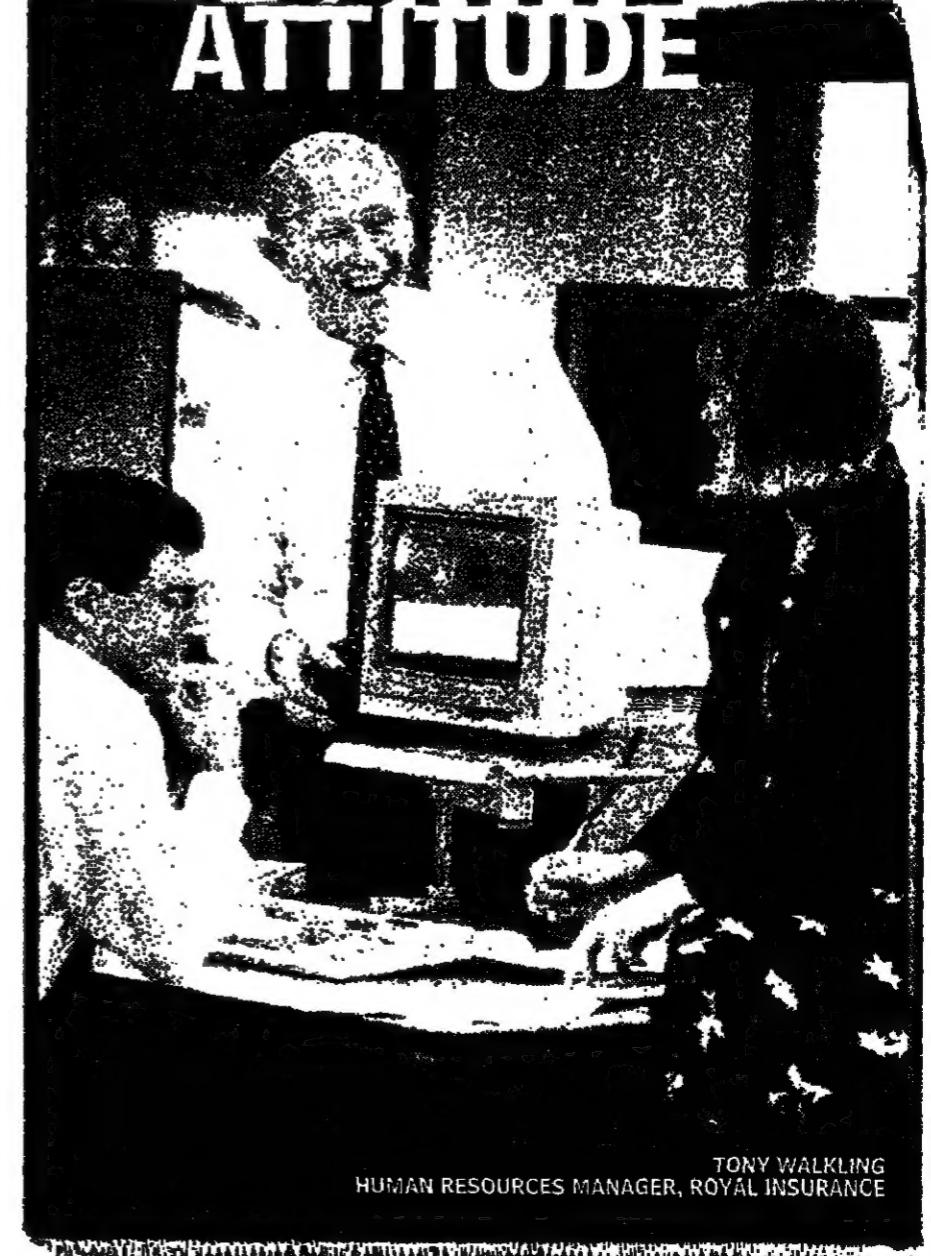
The report set ambitious targets with gross domestic product growth averaging 8-10 per cent over the next five years and industrial output growing at 14-15 per cent a year.

It dropped an earlier mention that the state and co-operative sector would account for 80 per cent of gross domestic product, instead re-affirming the role of the state sector as the "foundation of the economy". It rejected wholesale privatisation.

This is likely to disappoint observers hoping for more radical policies. But, with the leadership sidetracked by the succession question, there has been little inclination to tackle policy issues.

Government decision-making has been virtually paralysed in the past few months as the ageing politburo has tried to find ways of handing power to a younger generation without upsetting the existing balance among reformers, conservatives, the military and Vietnam's northern, southern and central regions.

Jeremy Grant

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NEWS: UK

US Names may be barred from underwriting

By Ralph Atkins,
Insurance Correspondent

Lloyd's of London is set to exclude many of its US Names from underwriting next year unless state securities regulators back down in legal action they are pursuing against the insurance market.

The move will heighten further the tension in the Lloyd's confrontation with the securities regulators, whose actions have created a significant obstacle to the insurance market implementing its recovery

plan this summer.

Last week, Lloyd's said US Names may have to be excluded from the recovery plan - which includes a £2.1bn (\$1.8bn) out-of-court settlement

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offer - because of the legal problems. In a memorandum yesterday, Mr Nicholas Demery, a lawyer in the Lloyd's legal services department, said US Names in 12

states would not be permitted to participate on syndicates in 1997 "unless their securities regulators can be persuaded to modify their positions".

Further increasing the difficulties for US Names, Mr Demery told agents at Lloyd's that Names in the 12 states would not be allowed to take part in "auctions" for syndicate participations beginning next month. That means the Names will not be able to sell for money the places on 1997 syndicates they are being forced to give up.

Mr Demery adds that Names in other states, besides the 12 specified by Lloyd's, will be allowed to take part on syndicates or in the auctions only if Lloyd's is satisfied that it can permit such participation without due legal risk?

The memorandum came as a delegation of US securities regulators completed a week-long visit to London as part of continuing negotiations with Lloyd's. Lloyd's said, however, that the move to exclude US Names had been under consideration for some time and was

not intended to increase pressure on the regulators. Last year, Lloyd's stopped recruiting new US Names.

A spokesman said the move was "defensive" and Lloyd's hoped a deal with securities regulators would allow it to treat US Names in the same way as those elsewhere in the world.

Lloyd's problems with the US regulators centre on allegations that investment in Lloyd's was mis-sold. According to yesterday's memorandum, regulation in 12 states

"have issued orders or are involved in ongoing proceedings taking the position that annual syndicate participations constitute securities". Lloyd's contests the allegations.

Lloyd's has 3,000 US Names, but only about 700 are still underwriting. It was unclear last night how many are in the states affected by the exclusion order. The states are Arizona, Arkansas, California, Colorado, Illinois, Missouri, Ohio, Pennsylvania, Tennessee, Utah, Virginia and West Virginia.

UK NEWS DIGEST

Police ban march in N Ireland

Police in Northern Ireland banned a parade by the fiercely Protestant Orange Order which had been planned for the Ormeau Road in Belfast on Sunday. The area suffered violence last year after marchers were allowed to pass through a largely Roman Catholic area. The decision to redirect the march, commemorating the 30th anniversary of the Battle of the Somme, was condemned by Mr David Trimble, leader of the Ulster Unionist party, the largest pro-British party in Northern Ireland. Mr Trimble said that on Monday Sir Patrick Mayhew, chief Northern Ireland minister in the British government, would be in France for the commemoration of the battle. "I think it is rather invidious," he said.

John Murray Brown, Dublin

Merger activity near peak

Mergers activity in the UK is close to a record, says Mr John Bridgeman, director general of fair trading. The Office of Fair Trading considered 423 mergers in 1995, a 24 per cent increase on 1994 and only five fewer than in the record year 1987. The competition watchdog's resources have been stretched to the limit by the complexity of dealing with electricity and water mergers, which involve liaison with other regulators, and by the office's new role in monitoring new European Union rules on unfair contract terms.

Mr Bridgeman said while launching the office's annual report that his priority in competition policy was the elimination of cartels. The record \$2.3m (\$12.7m) fines imposed on 17 companies in the ready-mixed concrete industry last August had given the OFT's efforts a "tremendous boost," and "provided a timely reminder that the restrictive trade practices act is not the busted flush that some critics imply." Mr Bridgeman welcomed the government's latest commitment to reform the law on anti-competitive agreements and abuse of monopoly power. "I desperately want the government to press ahead with the reforms," he said.

Robert Rice, Legal Correspondent

Labour shifts on pensions

The opposition Labour party has abandoned its commitment to increase the real value of the state pension, marking a clean break with the policy it espoused at the last four general elections. The party yesterday made clear it could make "no new pledges on levels of expenditure" for state pensions before the next election. It was a new indication of the extent to which Mr Gordon Brown, shadow chancellor of the exchequer, is keeping a tight squeeze on Labour's spending plans. Despite increasing anger from leftwing Labour MPs about the diminishing value of the pension - now worth \$14.50 per week for a married couple - the party has also shelved recent proposals to help poorer people in retirement. Its document indicated that Labour has no immediate plans to introduce a Minimum Pension Guarantee, one of the main proposals made three years ago by the party's Social Justice Commission.

James Blits, Westminster

Lex, Page 22

Women's pay catching up

Women are fast catching up with men on pay, says research from the Centre for Economic Performance at the London School of Economics. It says the hourly earnings of women who work full-time rose from 65 per cent of men's earnings in 1974 to 80 per cent in 1990-92. While the median hourly earnings of men grew by a third between 1973 and 1989, those of full-time women grew by more than twice as much. Ms Susan Harkness, author of the report, says: "Women who worked part-time did not do as well as those in full-time employment, but they still experienced faster earnings growth than men. But the gap between the highest and lowest paid has risen for women as it has for men, which makes the real winners high-paid women who have seen their wages almost double in real terms since 1973. Those who have done worst - but who have still narrowed the gap with men - are part-time, low-skilled women."

Andrew Bolger, Employment Correspondent

Russian student stabbed

Detectives investigating the stabbing of a 17-year-old Russian student after England lost to Germany in the Euro 96 soccer semi-final on Wednesday have questioned two men. They were detained last night and questioned before being released on police bail. The student, Andrei Mokhort, should have flown home on Thursday at the end of his language school course. He was stable in an English hospital yesterday. He was walking with friends in Portslade on the south coast of England on Wednesday night when two youths asked if he was German. He was then stabbed five times even though he had explained that he was Russian. Police are treating the attack as attempted murder. Detective Chief Inspector Andy Ellis said: "We had a good response from the public and clearly there is a lot of public sympathy and embarrassment."

PA News

London Underground's long-standing deficit is turned into surplus

Rail chief optimistic despite strikes

By Charles Batchelor,
Transport Correspondent

The first of what could turn out to be a summer of train drivers' strikes started on the London Underground this week just as Operation Hard Hat, the most ambitious refurbishment of the ageing network in recent times, gets under way. The next strike by Underground drivers will be next Wednesday.

The capital's commuters and tourists face the prospect of several months of disruption. But Mr Peter Ford, the chairman of London Transport, believes these difficulties conceal a steadily improving situation for his organisation.

The long-running financial deficit was turned into a surplus of \$2m in 1994-95 and increased five-fold to \$130m last year. Mr Ford's aim of covering London Transport's own core investment needs - excluding big projects such as the Jubilee Line extension - within five years is well on the way to being realised.

This improvement has been in part due to rising passenger numbers, up 3 per cent on both Underground and buses, and in part to tight control of costs. The New York subway and Paris Metro, in contrast, meet just half of their funding needs. Attaining self-sufficiency forms an important strand of Mr Ford's ambitions for London Transport. He believes that the organisation's role should be to act as co-ordinator and regulator of all transport services in the capital - bus, light rail and Underground.

"We already have a wide transport function," he says. "We ought to be the authority to mastermind the long-term transport plan for London. The vision I have is for a body which does the planning, the marketing and the regulation."

Mr Ford says the model for such a role can be found in many European cities, where the municipal authority sets criteria for transport services which are contracted out to private operators.

The privatisation of London's buses also provides a parallel. They have all been sold to private operators but, unlike the rest of the country, they remain regulated. London Transport remains responsible for co-ordinating services and selecting private companies to run routes or groups of routes.

But making more effective use of London's buses by creating priority lanes and enforcing parking curbs is still dependent on a large number of officials and organisations, including the capital's traffic director, parking director,

police and 32 London boroughs.

Having sold the buses, London Transport's main operational task is running the Underground. If London Transport took over a regulatory role it would almost certainly have to dispose of its Underground operations to avoid inevitable charges that it was favouring its own directly managed part of the transport network. But Mr Ford will not comment on the prospect for a sell-off.

Mr Ford was appointed after the man widely expected to take over the job, the then chief executive Alan Watkins, was passed over for criticising government cuts in London Transport's budget. A former chairman of P&O European Ferries, Mr Ford says that as a publicly funded organisation London Transport must get on with the people who pay its bills.

Public criticism of the government has stopped, and management has continued with the task of maintaining and upgrading a system which has suffered severe neglect. Mr Ford believes his ambitions for London Transport mirror a growing acceptance of the idea that the capital needs a co-ordinated transport plan. London First, a pressure group combining private and public sector interests, has called for such a plan.

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Economist to challenge optimism on investment

By Gillian Tett,
Economics Correspondent

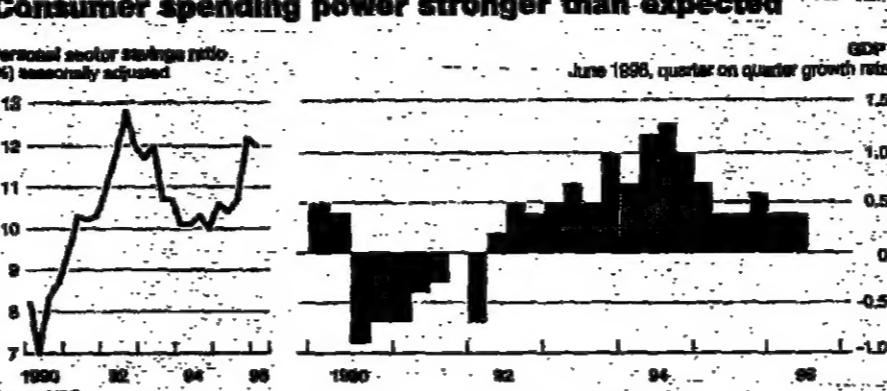
The controversy about whether British companies are investing enough will be inflamed next month by claims that the UK investment record is far worse than the government has recently stated.

Mr Stephen Bond, an economist at the independent research group the Institute for Fiscal Studies, will publish a paper showing that the UK investment record over the past 35 years has been worse than those of the US, Japan, France, Germany and Italy. The criticism provides a

direct challenge to attempts by Mr Michael Heseltine, deputy prime minister, to trumpet the recent investment record. Earlier this month, a government report claiming to correct "fallacies" about investment asserted that UK investment as a proportion of gross domestic product had been higher than in France, Germany, Italy and the US. These claims were based on a measure of "business investment" compiled by the Organisation for Economic Cooperation and Development.

However, this measurement of business investment is believed by many economists - and some officials at the OECD

Consumer spending power stronger than expected



Japan over the past 35 years. The UK economy was given a twin boost yesterday when government statisticians declared that last year's current account deficit was shallower than earlier estimates of \$2.7bn, the Office for National Statistics said. Meanwhile separate figures

raised the prospect of rapid consumer spending growth later this year. The ONS revised down its estimate of consumer spending growth in 1995. However, it increased its assessment of how fast growth has been since then.

Euro 96 leader to switch to ISL

By Jimmy Burns in London

The head of Euro 96 and senior English Football Association official, Mr Glen Kirton, has been appointed vice-president (football) of the Swiss-based ISL group which has been handling the core marketing of the soccer tournament.

The move pitches the one-time FA press officer into a strategic if risky role in the business of top international football, with one of the most ambitious and controversial marketing organisations in the game.

ISL has the exclusive marketing rights for the 1998

World Cup in France and the next European championship - Euro 2000 - to be held jointly in the Netherlands and Belgium.

The company is also bidding jointly with the German media group Kirsch for marketing and broadcasting rights for the World Cup in 2002 which will be jointly hosted by Japan and South Korea in 2006.

Mr Kirton, who has been serving as Euro 96 tournament director, is thought to have agreed to the new post before the start of the competition three weeks ago, although he is under contract with the FA until the end of December. His long-term future with

will be discussed his future with the FA nearer to the time that his contract expires," a Euro 96 spokesman said last night.

Mr Kirton is thought to have indicated privately that after 25 years with the FA, he wanted to consider a new challenge in sport. According to a senior official at ISL, Mr Kirton has been in discussions on his new appointment for "some months". While refusing to detail his new salary, it is understood that Mr Kirton will be earning considerably more than the current \$30,000 (\$122,400) he is paid by the FA.

Football came good, Page 9

BUSINESSES FOR SALE

ASTIKA AKINITA

INCORPORATED COMPANY OF REAL ESTATE CONSTRUCTIONS, TOURIST AND RELATED ENTERPRISES

PUBLIC CALL FOR TENDERERS FOR THE SALE OF THE ASSETS OF THE COMPANY UNDER THE TITLE "HELLENIC DECORATIVE ROCKS S.A."

The incorporated Company "ASTIKA AKINITA S.A." (43 Panepistimiou str., 105 64 Athens) as a special liquidator by virtue of resolution No 4220/1995 of the Athens Court of Appeal, of the limited liability company "HELLENIC DECORATIVE ROCKS S.A." (Hellenic Lapidex srl) (hereinafter referred to as the "Enterprise")

ANNOUNCEMENT
A public call for tenders with sealed, binding offers, for the sale of the total assets of the Enterprise under special liquidation by virtue of article 46a, L. 1892/1990.

ACTIVITIES AND BRIEF DESCRIPTION OF THE COMPANY
The "Enterprise" was founded in 1987 under the title "HELLENIC DECORATIVE ROCKS S.A." (Hellenic Lapidex srl). The seat of the company according to its articles of association, is the Municipality of Lefkes, Prefecture of Athica.

The object of the company according to its articles of association is the prospecting, search, location, mining, cutting, processing and trade of all types of decorative rocks. Towards attaining its objective, the Company may: a) collaborate with any physical or legal entity having the same or similar capacities, and/or in any manner b) to participate in any firm with a similar objective under any corporate title. The company owns one factory located at Lefkes, near the Municipality of Lefkes, Prefecture of Athica, which it operated up to March 30, 1996, when it came under the special liquidation provided by article 46a, L. 1892/1990 by virtue of decision No. 4220 of the Athens Court of Appeal by which "ASTIKA AKINITA S.A." was appointed special liquidator.

The assets of the company under liquidation include a fully equipped industrial unit, constructed on a site with a total area of 44,783 sq.m. and located at Lefkes, Municipality of Lefkes, Prefecture of Athica, on the 15th km. of the Aliven-Kym regional road. The industrial unit consists of an industrial building with an area of 2,362 sq.m., a building housing the Power Corporation sub-station with an area of 148 sq.m., a unit for the recycling of industrial waste, pumping-station, well, and other special installations-constructions and development of the surrounding area serving the operational requirements and security of the industrial unit.

INVITES
any interested party to receive the offer memorandum and submit a sealed, binding offer accompanied by a letter of guarantee by a Bank operating lawfully in Greece, amounting to the sum of fifty million drachmai (Dr. 50,000,000) with the contents described in the offer memorandum.

TERMS OF THE CALL FOR TENDERS
1. The public call for tenders will be carried out according to the provisions of article 46a, L. 1892/1990 which was added to the law by virtue of the proviso of article 14, L. 2000/91, as it has been amended, completed and as it currently applies, the term included in the present call for tenders and the terms of the offer memorandum, which interested parties may obtain after submitting a pledge of confidentiality in writing.

2. In order to participate in the call for tenders, interested parties are invited to deliver a sealed, binding offer in writing by 11:00 on Monday, July 22nd, 1996 to the Athens notary public Mrs Maria Savozi-Vlasiadaki, 57 Alkathousis str., 6th floor, 105 73 Athens, tel.: (+30) 361.0622.

3. The offer and the letter of guarantee must be delivered in a sealed, opaque envelope by the interested party in person or by his authorized representative.

4. The offer must mention clearly the amount offered for the purchase of the total assets of the company under liquidation and must not contain any terms, options or vague phrases which might create uncertainty as to the amount or the manner of payment of the

COMPANIES AND FINANCE

CFF investors force delay of restructuring vote

By Andrew Jack in Paris

The board of Crédit Foncier de France, the troubled property lender, yesterday agreed to delay voting on a restructuring plan for the bank after pressure from leading shareholders.

The action came after Templeton, the US investment fund, yesterday called for a delay in the approval of the group's accounts.

At Crédit Foncier's annual general meeting in Paris, the fund, which is the largest shareholder with a stake of nearly 9 per cent, said it wanted

more time to gather additional information on the accounts after concerns about the FF113.5m (£3.64bn) in provisions announced by Crédit Foncier for 1995, which would wipe out most of the group's capital.

Its demand led to a suspension of the meeting while the Crédit Foncier board met in emergency session. The directors resolved to proceed with a vote on the accounts but to delay a vote on proposals for a very large reduction in the capital, which would keep the group solvent.

When the meeting resumed the

bank only narrowly won acceptance for approval of the accounts by a vote of 52.65 per cent in favour.

Templeton's concerns were echoed by Ms Colette Neuville, head of Adam, the association for the defence of minority shareholders, who represents more than 1m votes from investors, and who last week lost a court battle to delay the annual meeting.

The investors have questioned the size of - and explanations for - provisions which dragged Crédit Foncier into a loss of FF110.8m for 1995.

The charges stood in stark contrast

to strongly positive figures in both internal and external valuations on the value of the group made in the second half of 1995 before a proposed merger - abandoned because of shareholder opposition - with one of its leading subsidiaries.

Mr Jean-Pascal Beaurelet, deputy governor of the bank, told yesterday's meeting Crédit Foncier had already used FF113.4m of its FF20bn emergency line of credit from the Caisse des Dépôts and had been "virtually bankrupt" since the end of last year.

The meeting came the day after a

substantial minority of investors in Eurotunnel, the Anglo-French operator of the Channel rail link, voted against approval of the group's accounts and the nomination of a number of directors to its board.

Only 62.5 per cent of Eurotunnel's shareholders approved the accounts, in a demonstration of their role as a counter-balancing power to the group's creditor banks, with which it is negotiating a restructuring.

This level of opposition would be sufficient to block the plan under both UK and French law.

Four Seasons in quest to expand Regent chain

By Bernard Simon in Toronto

Toronto-based Four Seasons

Hotels has launched a search for outside investors to help expand its wholly owned Regent International chain, which operates some of southeast Asia's best-known luxury hotels.

The search is expected to result in the creation of a listed company whose assets would include Regent's existing hotels as well as properties contributed by the new partner, which would have a sizeable minority stake.

Four Seasons has begun talks with a number of Asian property investors who may be keen to consolidate their hotel properties under a single management group and brand name.

Mr John Richards, Four Seasons' executive vice-president, said yesterday: "We would assume that this person would have the muscle not only to add assets to Regent but the ability to grow it quickly."

The new partner would have the benefit of an established brand name. According to Mr Richards, "there are few situations where people can acquire the use of a well-known brand and move it into their assets that quickly".

Regent operates 10 hotels,

with another five under construction. Four Seasons estimates the chain's value at about US\$500m and says it has achieved strong returns. Regent, based in Hong Kong, has a separate management team from the parent.

The Canadian group has hired Goldman Sachs, the US investment bank, as an adviser. A deal is expected by the end of the year.

If all goes to plan, the Regent transaction will be similar to Four Seasons' arrangement with Prince Al-Waleed bin Talal Al-Abdullah, the Saudi Arabian investor. The prince bought a 26 per cent stake in the Canadian group two years ago, and has become an active participant in its expansion.

He helped finance a 340-room Four Seasons resort under construction in Carlsbad, California, and also bought a 50 per cent stake last December in the Four Seasons inn on the Park in London. Further joint ventures in other parts of the world are to be announced soon.

About half a dozen property investment groups in Singapore, Malaysia and Hong Kong are expected to show an interest in Regent. Another possible candidate is the Sultan of Brunei, who owns about 10 hotels managed by other groups.

ITT, Planet Hollywood in casino linkBy Richard Tomlins
in New York

ITT, the US leisure group, is teaming up with the Planet Hollywood restaurant company to open a chain of "theme" casinos featuring movie memorabilia and guest appearances by screen stars.

The deal will link Planet Hollywood with Caesars World, ITT's casino subsidiary, which it bought for \$1.7bn at the end of 1994 as part of a big foray into the gambling business.

ITT said the joint venture would build, develop, manage and operate Planet Hollywood themed casino hotels in Las Vegas and Atlantic City in the

US, and eventually in other resorts around the world.

The venture is due to go into business later this year when it starts building the Las Vegas and Atlantic City casino hotels on land already owned by ITT. The casinos are expected to cost \$1.8bn.

The development reflects a growing trend among US casino operators to counter competition by attracting new types of customer. Some casino developments in Las Vegas have sought to attract family audiences by providing attractions for children.

The Planet Hollywood mirrors the recent arrival of another new type of casino in Las Vegas: the Hard Rock

Hotel and Casino, opened last year by Mr Peter Morton, co-founder of the Hard Rock Cafe chain.

Like the Hard Rock Cafes - now owned by the UK's Rank Organisation - Mr Morton's Hard Rock Hotel and Casino features loud rock music and rock memorabilia, and attracts a younger audience than most other casinos.

Mr Rand Araskog, ITT's chairman and chief executive, said the Planet Hollywood name and logo were among the most widely recognised trademarks in the world, and the joint venture would give visitors to Las Vegas and Atlantic City a "must-see attraction into the 21st century".

In Las Vegas, the joint venture will build a 3,200 room Planet Hollywood hotel and a 100,000 sq ft casino on a 34-acre ITT site adjacent to the Desert Inn.

In Atlantic City, it will build a 1,000-room hotel and a 100,000 sq ft casino on the boardwalk just north of Caesars Atlantic City.

ITT is funding the projects in return for an 80 per cent equity interest in the joint venture. Planet Hollywood will contribute an exclusive license to the Planet Hollywood name in return for a 20 per cent stake in the venture, and has granted ITT a warrant to buy 5 per cent of its own shares at \$25 apiece.

Cater Allen mulls fund manager buy

By Nicholas Denton

Cater Allen, the banking and broking company, said yesterday it was considering acquiring a fund management company as part of its expansion into retail financial services.

The diversified group, which was reporting a 44 per cent fall in pre-tax profits, said new capital adequacy rules for its money market activities had liberated \$25m for investment in existing businesses or new

acquisitions.

Cater Allen - which last year acquired a stockbroking operation and began offering combined banking and broking accounts - is now "going pretty much flat-out" in retail financial services, said Mr James Barclay, chairman.

Cater Allen, like many banks and investment banks, is seeking to expand in fund management, which has in the past decade provided the steady profits growth which volatile

broking activities have lacked.

Analysts reacted positively to the group's new direction and to its decision to make full provisions of \$5.5m for costs arising from its involvement in Lloyd's and its withdrawal from the insurance market.

Cater Allen's stock lending business held up better than expected to the establishment of the gilt repo market in January, and the consequent decline in margins, which was not fully compensated by an

increase in volume. Nevertheless, these factors and unfavourable money markets for the discount house operation, resulted in a decline in pre-tax profits in the year to April 30 from £25.5m to £14.5m.

The shares shrugged off the headline figures to rise 18p to 39p. Kleinfelder Benson, house broker, said the p/e ratio of 7.8 and yield of 9.8 per cent compared favourably with that of Gerard & National, its closest competitor.

Calluna in £3m placing as losses widen

By John Authers

Production delays led to a pre-tax loss of £4.8m for Calluna, the miniature disc-drive manufacturer which floated on the USM in October 1994.

Calluna also announced a £2.05m share placing. Albert E Sharp, the broker, placed 2.7m shares at 115p each with institutional clients.

The shares ended 1p below the placing price at 112p, having fallen 7p on the day. They were floated at 65p.

The figures were for the 12 months to March 31. Losses in the previous 28-week period had been £2.15m.

Calluna said the loss reflected "unintended operational difficulties", which had caused delays in bringing its

250MB disc drive into full production. A strategic decision to "leap-frog" a 340MB product from its competitors, and its attempt to launch a 520MB disc drive had also depressed profits. Turnover rose to £2.87m (£247,000).

However, the company made an optimistic forecast, predicting that it would reach break-even on a monthly basis

before the end of this financial year, thanks to the introduction of the £200MB product.

The placing proceeds will be used to finance the early manufacturing stages of the new disc drive, and to develop an isolator for computer viruses.

Calluna is looking to join the main market at the end of the year, and is considering a Nasdaq listing.

A case of rights over reason?**Ross Tieman wonders why cash calls are suddenly so popular**

A flurry of rights issues has created the illusion that companies are once more keen to tap shareholders for cash.

But a flock of swallows do not a summer make: companies tapping the market for cash may have exhausted the options. Buyers, beware.

"I cannot see why people do rights issues," says Mr Brian Taylor, chief executive of life-rafts and parachute maker Wardle Storeys. "I prefer to do things for cash. If I had used up my cash pile, in these market circumstances, I would rather borrow than make a share issue."

A leading corporate financier confirms the logic of his judgment. "With rates at the present level, the more debt you can put in, the more earnings enhancing it is going to be."

Yet the number and value of cash calls upon shareholders is rising. In the first five months of this year, companies raised £1.34m from 38 share issues seeking more than £1m. In June, companies announced a further 18 rights issues, seeking £1.45m. In the first five months of 1995, there were 25 issues, raising only £535m.

These sums are roughly comparable with the peak year of 1991, when companies hopped

up £10.1bn to repair recession-ravaged balance sheets and, in 1993, when they skimmed £1.4bn of a booming market.

For the past couple of years, companies in some sectors have had more money than they knew how to spend. Utilities have been paying special dividends and mounting share buy-backs to use up surplus cash and enhance earnings. The list also includes blue-chips such as Guinness and Barclays bank.

Rupert Faure Walker, a director of merchant bank Samuel Montagu, suggests the decline in Britain's inflation rate has cut companies' need for capital. "With high inflation you needed more and more cash to fund working capital and capital investment, just to stand still," he says.

Even so, in the final quarter of last year, company borrowing began rising again.

When a company's balance sheet is in good shape, any company planning an acquisition calls first on its bankers for funds.

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Williams Holdings bought

**Dr Smith reassures C&W shareholders**

By Alan Cane

Dr Brian Smith (above), chairman of Cable and Wireless, yesterday picked his avuncular way good humouredly through the potential minefield of the group's annual general meeting, bringing to a close the most traumatic year in C&W's history.

One shareholder, annoyed by the recent slide in the share price, asked why Dr Smith and his fellow directors had not stayed in the room with their equivalents at British Telecommunications until merger terms had been agreed.

He was questioned on the size of the pay-offs to former chairman Lord Young and former chief executive Mr James Ross, dismissed last year after a public disagreement over policy, and on the quality of the market's contribution to discounts as low as 7.5 per cent.

Larger, more aggressive institutions may now be considering to cut commissions, provided they are given improved access to the shares they wish to buy - for example, through a vendor placing rather than a rights issue.

But rights issues are a last resort, so institutions treat them with caution. Premier Farnell faced a rebellion by some shareholders earlier this year over its American acquisition plan. This month, RSA's ambitions to bid for Lucas Industries were frustrated when institutions refused to underwrite a share issue.

So rights issues face a double hurdle: high costs and institutional scepticism. In this climate, a summer of cash calls seems a distant prospect.

He regretted the failure of the BT talks. "A painful conclusion especially after so much hard work and the share price clearly reflected our disappointment. The proposal was a good one and well worth investigating, but the vision proved an illusion," he said.

One disgruntled shareholder described corporate governance during the period leading to the election of Lord Young and Mr Ross as akin to a Whitehall farce. Another queried the £335,000 house

owned by the C&W subsidiary Hongkong Telecom and occupied by its chief executive Mr Linus Cheung.

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COMPANIES AND FINANCE

Wickes suspends two over accounting query

By Andrew Taylor
and Rose Tieman

Two senior managers have been suspended at Wickes, the DIY retailer, pending the outcome of an independent investigation into alleged accounting irregularities.

The two are Mr Lee Rosenblatt, group trading director, and Mr Chris Miles, commercial director of the UK retailing arm. Neither is a main board director. The company said both men were co-operating fully with Price Waterhouse, the accountants heading the investigation, but otherwise

would have "no further dealing with any supplier, customer or member of staff throughout the investigation".

The investigation was launched following a company announcement on Tuesday that it had uncovered serious accounting problems which had resulted in a significant overstatement in 1995 profits and shareholders funds.

The company has alleged that benefits arising from cash rebates paid to Wickes by suppliers to assist with promotions were included in accounts before they should have been.

Mr Stuart Stradling, Wickes finance director, said: "It is a problem of timing. There has been effect on cash flow."

The amount that group operating profits may have been overstated has been estimated to be at least £15m-£20m over several years.

It was claimed yesterday that Mr Henry Sweetbaum, who this week resigned as chairman and chief executive of Wickes, had assured an institutional investor in March that the company was accounting properly for advance payments from suppliers.

Mr Bernard Clark, invest-

ment director at Hill Samuel, said he sought and received assurances from Mr Sweetbaum that all was in order.

"We got wind of the fact that there might be some supplier discount problems about six months ago." These had been brought to his attention by a Wickes supplier in which Hill Samuel was also an investor.

Mr Clark raised the matter at a meeting on March 11 with Mr Sweetbaum and Mr Stradling. "We were assured by Mr Sweetbaum that no profit was taken for supplier credits until the turnover targets had been met," he said.

Mr Clark said all the answers to his questions were provided by Mr Sweetbaum. Mr Stradling, who joined Wickes as finance director last year, said nothing.

It is understood that in the autumn of last year Mr Stradling, together with Arthur Andersen, the group's auditors, instigated more rigorous audit procedures including for supplier contribution agreements.

Mr Clark added that he had called Mr Sweetbaum in New York and was once more assured that Wickes' treatment of supplier discounts was in order. Mr Sweetbaum was not available at his London home to comment.

Hill Samuel nominees has held shares in Wickes since it was floated a decade ago. It now holds 20m shares, some 6.1 per cent of the total. Their value dropped by 23.7m to £15.8m after the shares slumped 40p to 60p before they were suspended on Tuesday.

Wickes said last night that investigations into the extent that profits had been overstated were unlikely to be completed in time for the share suspension to be lifted next week.

Weekend Money page II

Lonrho unveils three way split

By Rose Tieman

Lonrho yesterday unveiled a 15 per cent rise in pre-tax profits to £50m alongside plans for a three-way split of its hotels, mines and trading businesses.

An overall 11 per cent increase in operating profit, to £95m, benefited from an improved performance from hotels, and the trading businesses in both Britain and Africa. Mines suffered a modest downturn.

Although the interim dividend is unchanged, at 2.25p, the shares gained 3p to 185p, helped by the planned break-up.

Inflationary pressures in Africa were blamed for pushing up production costs at the group's mines, causing a 5 per cent decline in operating profits to £41m. Gold production at Ashanti Goldfields, where Lonrho has a 41 per cent stake, rose 5.5 per cent to 490,132 ounces.

Work on the Amantisa gold field project in Burkina Faso is progressing, and development of the field in which Lon-



Dieter Bock: the outlook for the rest of the year looks promising

rho is a joint venture partner, is expected to start soon.

Lonrho Hotels, which operates 20 hotels and four lodges, including the Metropole and Princess chains, saw operating profits rise 17 per cent to £27m. Metropole achieved 65 per cent occupancy, up one per cent, and an 11 per cent rise in the average room rate.

Lonrho Africa has been reorganised into motors, agribusiness and property. The motors business saw margins

fall as competition increased, but sales volumes rose 18 per cent, year-on-year. Farming businesses also did well, and a good sugar crop is expected during the second half.

Overall, group sales rose 3.3 per cent to £1.04bn. Earnings per share rose 0.5p to 3.7p.

Mr Dieter Bock, chief executive, said that subject to any deterioration in currency rates and commodity prices, the trading outlook for the rest of 1996 was "promising".

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Leopold Joseph beats Coutts

By George Graham,
Banking Correspondent

Leopold Joseph, the private banking arm of the NatWest group, has beaten rival Coutts for the contract to handle cash payments to Equitas, the giant reinsurance company planned by the Lloyd's insurance market to take over responsibility for billions of pounds of mainly US asbestos and pollution liabilities.

Leopold Joseph was already one of the principal banks handling the collection of cash by Lloyd's managing agents from Names, the wealthy individuals whose assets underwrite the market.

Over the past year it had gained ground in this market

from Coutts, the private banking arm of the NatWest group. Leopold's reconstruction plans meant all payments from Names will now be centralised into Equitas, but Leopold Joseph has won a contract from the Council of Lloyds to handle all these cash payments.

Leopold Joseph has changed tack over the past 18 months to concentrate on private banking and asset management, cutting out activities such as trading and treasury dealing.

The results of this restructuring showed up yesterday in a 67 per cent jump in pre-tax profits to £2.4m.

Net interest income rose by 5 per cent, as the bank increased

TCE in £25m acquisition

By Alan Cane

Telecom Credit Europe, an AIM stock which supplies payphones and other telecoms equipment, plans to acquire Digiphone Europe, a specialist in Internet telephony.

The deal will value DE at about £25m. It provides for the issue of 52.3m new ordinary shares in TCE, representing 82 per cent of the enlarged share capital. Because of the size of the acquisition, dealing in TCE shares and warrants have been suspended.

The move will give TCE access to a market for systems which enable long distance and international calls to be made over the Internet for the cost of a local call.

Its deposito base by half - despite some anomalies a year ago after the collapse of the Barings group, which led some institutional and corporate depositors to withdraw their money from smaller private banks.

But Leopold Joseph suffered a setback when it was gazumped earlier this year over the purchase of a Caribbean trust company. The bank had run up legal, accounting and due diligence fees of £265,000 when the vendor pulled out of the deal days before completion.

Mr Michael Quicke, chief executive, said Leopold Joseph was still looking at other alternatives.

Grid managers to risk their own money

By Simon Holberton

National Grid Group has unveiled a senior management incentive scheme that requires top managers to risk their own money for three years.

The company has also decided that senior managers should not receive share options, although share options will be offered to managers below executive director level who perform well. The company has been considering ways to encourage long-term shareholding by senior executives since its listing in December.

It will now offer top managers the opportunity to invest all or part of their annual per-

formance-related bonus in National Grid shares. At the same time the company will match the shares acquired.

In the company's annual report, released yesterday, Mr David Jefferies, chairman, emerged as its highest paid director. He received a basic salary in 1995 of £253,000 and a performance bonus of £73,000, equal to 28.5 per cent of salary.

His total emoluments at £334,000 were 4.4 per cent higher than in 1994.

Mr David Jones, chief executive, received a 4.6 per cent rise in total emoluments to £248,000 from £237,000. His basic pay last year was £187,000 and his bonus was £53,000.

Up to 5.178 preference shares with a total par value of up to AS 517,500,000.

No stock exchange listing.

The preference shares will not be listed on any stock exchange.

Conversion period:

1 July 1996 up to and including 30 July 1996.

Conversion orders:

Shareholders may exercise their conversion right by filling out conversion under (conversion declaration) in duplicate at Raiffeisen Zentralbank Österreich Aktiengesellschaft, Am Stadtpark 4, 1030 Vienna, as the conversion agent.

Conversion orders will be accepted by any depository bank holding K2B participation certificates entitled to conversion on behalf of the holder.

Documentation:

In accordance with legal regulations, all documentation governing the relevant conditions for conversion may be inspected from 28 June 1996 on at the premises of Österreichische Kontrollbank Aktiengesellschaft or Raiffeisen Zentralbank Österreich Aktiengesellschaft.

Raiffeisen Zentralbank Österreich Aktiengesellschaft

Announcement and Offer

The Annual General Meeting of Raiffeisen Zentralbank Österreich Aktiengesellschaft held on 26 June 1996 passed a resolution giving the holders of participation certificates an opportunity to exchange their participation certificates for preference shares.

The following conversion offer has been drawn up accordingly:

K2B participation certificates eligible for conversion:

Raiffeisen participation certificates, issue A, Securities no: 67856, par value AS 100 = each

Raiffeisen participation certificates, issue B, Securities no: 67855, par value AS 100 = each

Conversion rate:

1,000 K2B participation certificates with a par value of AS 100 = each entitle the holder to one non-voting bearer preference share in Raiffeisen Zentralbank Österreich Aktiengesellschaft with a par value of AS 100,000,- ("Preference share") without any additional payment.

Volumetric:

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Raiffeisen Zentralbank Österreich Aktiengesellschaft

Argyll incentive plan attacked

By William Lewis

Argyll Group, the UK's third largest grocery retailer, is facing shareholder criticism over its proposed bonus scheme for executives.

Some institutional investors are threatening to cast their votes against, or abstain, at Argyll's annual meeting on Tuesday at London's Savoy Hotel.

Argyll wants shareholders to approve a new long-term incentive plan (L-tip) which would give executives 100 per cent of their salaries in shares each year if performance targets over a three-year cycle are met.

However, institutional shareholders have told the company that the L-tip is too complicated. They have also criticised the way in which executives would still get pay-outs if Argyll's share and dividend performance failed to match that of competitor retail groups.

The biggest drawback of the proposed scheme is that it is too complicated and is open to manipulation," said Mr Leslie Robb, managing director of Scottish Widows Investment Management, which owns 3.8 per cent of Argyll.

Mr Robb refused to state how Scottish Widows would be voting its shares at the annual meeting.

Shareholders are also concerned at the potential for executives to take a "double-dip" through participating in the L-tip and a share option scheme.

Argyll said yesterday that "a couple [of institutional shareholders] had registered some interest, or required some further explanation. Whether they vote against we shall see".

The company also defended the terms of the bonus scheme and said that it was in line with best practice.

Marston pays £20m for 7 bars in London

By David Blackwell

Marston Thompson & Everard, the regional brewer, yesterday paid £19.95m for Pitcher & Piano, a chain of seven London bars.

Mr David Gordon, managing director, said the acquisition would give Marston its first retail brand. The chain had plans to double in size by early 1998, but had the potential to grow to 60 outlets in UK cities.

Analysis, who are expecting Marston to report a 12 per cent rise in annual pre-tax profits to £22.5m on Tuesday, said the move was a good strategic step. While Marston had good beer brands, including Pedigree bitter, it had lacked a strong national brand in pub retailing. The acquisition would prove earnings enhancing in its first full year.

Pitcher & Piano, which is aimed at the 20-35 year-old market, is expected to report pre-tax profits of just over £1m for the year to the end of this month, on the back of a 24 per cent rise in sales to £6.5m. The chain was founded in 1986 by Mr Crispin Tweddell via Piper Trust, a retail management consultancy. Mr Tweddell will become a non-executive director at Marston.

Mr Gordon said the acquisition would give Marston a presence in central London for the first time.

He rejected any suggestion that the price was too high, pointing out that developing each new site would cost about £2m. Existing management would remain.

News Digest

Prospects darken for Century mine

The prospects for RTZ-CRA's A\$1.1bn (£550m) Century zinc mine project in northern Queensland darkened yesterday after native Aboriginal groups, which have a native title claim over the site, failed to reach a decision on a proposed settlement being offered by the Anglo-Australian mining group.

The United Gulf Regional Aboriginal Council met to discuss the situation yesterday, but broke up without reaching a conclusion. The Council is understood to have set another meeting date for July 7. However, RTZ-CRA was adamant last night that it would not budge from its June 30 deadline for reaching an agreement. Last night, the mining company decided to make any comment on the project's chances, but insisted: "We do want an answer by the end of the day on Sunday."

RTZ-CRA decided to go ahead with the project late last year, when it believed that previous pastoral leases granted over the land had extinguished any chance of a native title claim. However, the High Court subsequently ruled that the Waanyi people's claim, covering around 247 hectares of land, could be registered. Under Australia's new Native Title Act, once a claim is registered, a lengthy formal negotiation process is triggered. CRA resumed talks with the aboriginal group, and the two sides appeared to be making some progress, although controversy still surrounded the path of the planned 300km slurry pipeline.

Given more encouraging signals, RTZ-CRA directors decided to postpone a decision to stop expenditure on the project in late-May, but set June 30 as the final deadline. Nikki Tait

Alain Soulard moves to ASW

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS
Copper sentiment improves

The prospect of normal service being resumed in the London Metal Exchange copper market appeared to be moving closer this week following the disruptions of the Hamamaka era.

The most obvious effect of the massive "long" position built up by the Sumitomo Corporation trader was the squeeze on the availability of copper for immediate delivery. This was reflected in the reversal of the normal market structure of "contango" - in

LME WAREHOUSE STOCKS (As at Thursday's close tonnes)

Aluminium	+3,675	to 90,300
Aluminium alloy	+1,200	to 26,000
Copper	+1,425	to 63,550
Nickel	+102	to 32,400
Zinc	+50	to 57,925
Tin	-265	to 10,225

which cash prices are at a discount to forward positions, representing the costs of holding physical material (storage, insurance and foregone interest) - into "backwardation" - where cash prices are at a premium.

At one point the cash/three-months backwardation exceeded \$300 a tonne, and the LME authorities decided to protect the "shorts" against excessive losses by setting a limit to the cost of carrying positions over for one day.

In the nervous period that followed the revelation of the scale of Sumitomo's losses the backwardation remained high, ending last week at \$30 a tonne. This week, however, has seen a significant improvement in market sentiment as traders have come to the conclusion that the Sumitomo holding is being, and will continue to be, liquidated in an orderly manner. In mid-week many speculators who had sold copper in the expectation that a market "meltdown" would enable them to buy it back more cheaply later decided that it

was time to take their profits - or cut their losses - and while the three months price began to rally the backwardation faded. At yesterday's close the price stood at \$1,563.50 a tonne, up \$74.50 on the week and \$218.50 above Tuesday's low, and the backwardation was down to \$44.

Most analysts were looking for further modest price gains as the copper market sustained a "corrective bounce", though many thought new falls would follow as expectations of a growing supply surplus for the metal were reassessed.

At the London Bullion Market, meanwhile, gold traders were becoming increasingly nervous about the prospect of the International Monetary Fund selling some of its holding of the precious metal to fund aid to poor countries.

The price ended just above an 8% month low reached during the day after a communiqué issued at the end of a Group of Seven meeting in Lyon stopped short of giving direct endorsement to the idea.

In a Sky Television interview Britain's chancellor of the exchequer, Mr Kenneth Clarke, seemed in no doubt that the plan would go forward. "The word gold does not appear in the communiqué," he said, "but all of us know perfectly well that the policy described in the communiqué is going to involve selling gold, investing it and using the return... to give the extra subsidy to the poorer countries."

But Germany remained opposed to the plan. Chancellor Helmut Kohl told reporters at a briefing after the meeting it could have a negative psychological effect at a critical time in the run-up to the start of European economic and monetary union, he warned.

Mr Kohl said the issue might now have to be decided by a vote at the IMF itself, where a majority of 85 per cent would be needed to approve it. Germany has 5.67 per cent of the votes.

"We'll have to see if the 85 per cent vote that way or not," he added.

Richard Mooney

WEEKLY PRICE CHANGES									
Latest price	Change on week	Year	1994	1995	1994	1995	1994	1995	1994
Gold per troy oz	\$992.25	-1.40	\$265.70	\$161.60	\$277.00				
Silver per troy oz	\$33.50	-1.0	\$34.20	\$36.80	\$29.50				
Aluminum 99.7% (cash)	\$1471.0	+5.7	\$1601.0	\$1676.0	\$1456.0				
Copper Grade A (cash)	\$2007.5	+20	\$2092.5	\$2810.0	\$1987.5				
Lead (cash)	\$763.5	+5.5	\$762.5	\$827.5	\$805.0				
Nickel (cash)	\$7850.0	+50	\$8340.0	\$9225.0	\$8185.0				
Zinc SHG (cash)	\$1,171.0	+17	\$1,171.0	\$1,257.0	\$1,157.0				
tin (cash)	\$5202.0	+145	\$5207.0	\$5200.0	\$5190.0				
Copper Futures Jul	\$1,027	-57	\$202	\$2178	\$2055				
Coffee Futures Jul	\$1,781	-57	\$281	\$2820	\$1,570				
Sugar (LDP Rev)	\$308.50	+16.8	\$307.0	\$308.0	\$282.8				
Baileys Futures Sep	\$1,050	-50	\$113	\$125.50	\$104.50				
Wheelbarrow Jul	\$1,111	-43	\$111	\$111.10	\$101.10				
Cotton Commodity Jul	\$24.00	+0.55	\$27.00	\$27.50	\$19.25				
Wool (M's Super)	\$434p	-8	\$420p	\$420p	\$420p				
Oil (Brent)	\$19.00p	-0.90	\$18.50	\$22.13	\$16.00				
For tone unless otherwise stated, p = Pounds, c = Cents, \$ = US Dollars									

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WORLD BOND PRICES

MARKET REPORT

By Lisa Brancati in New York and Conner Middelmann in London

Rising hopes that the Federal Reserve would not raise interest rates this summer led to a second day of gains on the US Treasury market that sent the yield on the two-year note to its lowest level since late May.

Near midday, the two-year note had risen 14 basis points to 6.036 per cent. The yield on two-year paper had not dipped below 6.1 per cent since May 23. At the long end, the yield on the benchmark 30-year bond, which moved below 7 per cent in late trading on Thursday, fell to 6.06 per cent as the long bond gained 3% at 88¢.

The September 30-year bond future climbed a full point to 103.9% and the two-year to 100.9%. The long yield curve steepened by 3 basis points to 81 basis points.

The market was buoyed by relatively weak data and press reports that sources close to Fed chairman Alan Greenspan were saying he was not anxious to slow the economy by raising interest rates.

The Chicago purchasing manager's index of business

BENCHMARK GOVERNMENT BONDS

Ref.	Coupon	Ref.	Days	Week	Month	Price	Yield	ago	ago	ago	ago	ago
Australia	10.000	02/06	107.1860	-0.063	6.90	6.90	6.76	7.00				
Austria	8.250	05/06	97.3700	+0.42	6.52	6.55	6.40					
Belgium	7.000	05/06	101.6400	-0.500	6.76	6.85	6.85					
Canada	7.000	04/06	94.9800	+0.62	7.77	7.75	7.75					
Denmark	7.000	04/06	94.9800	+0.62	7.75	7.75	7.75					
France	5.750	03/04	100.7500	-0.588	5.57	5.71	5.51					
OAT	7.250	04/06	105.5000	-0.863	6.49	6.55	6.44					
Germany Bund	6.250	04/06	98.1600	-0.710	5.51	5.61	5.42					
Ireland	6.000	04/06	101.7500	-0.549	6.22	6.27	6.36					
Italy	6.000	04/06	101.7500	-0.549	6.22	6.27	6.36					
Japan No 140	6.000	04/06	119.4226	-0.203	2.25	2.25	2.38					
Netherlands	6.000	01/06	97.0400	-0.940	6.42	6.54	6.42					
Portugal	11.875	02/06	108.1000	-0.063	7.05	7.05	7.05					
Spain	6.000	02/06	97.0168	-0.551	8.15	8.15	8.35					
Sweden	6.000	02/06	98.5600	-0.549	8.63	8.92	9.12					
UK Gilt	7.500	12/06	103.01	+1.32	7.18	7.28	7.40					
US Treasury	6.000	10/06	101.02	+0.42	8.72	8.74	8.62					
US Treasury	6.000	02/06	98.17	+0.503	8.72	8.94	8.82					
US Treasury	7.500	04/06	104.1000	-0.870	7.05	7.05	6.87					
ECU (French Govt)	7.500	04/06	104.1000	-0.870	7.05	7.05	6.87					
London clearing, New York end-day												
F Gross including withholding tax 1.25 per cent payable by nonresident												
Source: H.M.S. Treasury												

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FINANCIAL TIMES

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Saturday June 29 1996

Judging the turnaround

Unto everyone that hath shall be given. He that hath not will have to await further discussion. Thus spoke the leaders of the seven leading industrialised nations in Lyons yesterday at their annual summer get-together. Most of the participants could agree that the economic outlook for the G7 countries looked brighter than a year ago, at their summit in Nova Scotia. But the message to those economies furthest from the rich man's club had once again to be fudged.

The next move in both US and Japanese interest rates will be upward. And, given the extremely fragile state of the Japanese economy, Mr Greenspan will almost certainly be the first to act. This much seems clear. The bigger question is when, precisely, he will decide to pounce.

Little evidence

For some months now nearly all the economic news coming out of the US has been positive. The revised figures for growth in GDP released yesterday confirmed that the economy grew at roughly its long-term trend rate in the first quarter. Growth may well have picked up further in the past three months; whether this will be sustained for the rest of the year is harder to judge.

The US economy is almost certainly operating close to full capacity. Mr Greenspan's hope has been that growth will slow enough in the latter half of the year to make large increases in interest rates unnecessary. There has been little evidence so far of an impending slowdown. Employment, in particular, has continued to grow at a cracking pace - with payrolls increasing by a further 348,000 last month. Meanwhile, industrial production has risen strongly in three of the last four months, recording an annual rate of growth of 3.2 per cent in May.

This view must be distinguished from that of the true bears, who argue that a market which has risen 50 per cent in the past 18 months has taken fundamental leave of its senses. But let us start at the other end of the spectrum, with the true bulls; for them, after all, is still the representative voice of the investing public.

At the centre of their case is the belief that the inflationary dragon has indeed been slain. Grant that premise, and a great deal follows. In a low-inflation environment, the cost of capital stays low. So does the cost of capital goods. That in turn, the bulls argue, puts a cap on the cost of labour.

As Mr Jeffrey Applegate of Lehman Brothers points out, the total compensation of US workers - including healthcare, pensions and the rest - is now rising at around 3 per cent a year. Capital goods prices are rising at only 1 per cent overall, while prices of high-tech electronic goods are falling. Thus, any revival of wage inflation will simply give employers added incentive to replace workers by machines, thereby pushing up productivity and ultimately earnings.

Some Wall Street commentators, notably Mr Stephen Roach, Morgan Stanley's chief economist, worry that this cosy relationship will be destroyed by a worker backlash. Mr Applegate dismisses this.

The argument, he says, is essentially one of class struggle. But if the workers are to rise up, they

need organisation. In fact, the unionised share of the workforce is half what it was at the start of the 1980s and the incidence of strikes is the lowest for 30 years.

Indeed, Mr Applegate argues, the workers have no real reason to complain. Corporate profits may have risen from 8 per cent of national income to 11 per cent in the course of the 1980s. But the cost has been borne not by the workers, whose share of the cake has remained almost constant, but by holders of interest-bearing investments. That is, the shift in income has been between classes of capital, not between capital and labour.

Granted all that, are equities fairly priced? Certainly, says Mr Applegate. The dividend yield, stuck at an all-time low, is perhaps an oddity. Other measures, such as the ratio of price to cash flow or

The market is sensitive to suggestions of wage inflation, and the unemployment figures have caused turbulence for several months in a row.

earnings, look normal enough.

Others have claimed that the ratio of price to the replacement value of corporate assets - the so-called "Q" ratio - is screamingly high. Not if the sums are calculated correctly, Mr Applegate says. Properly adjusted, the ratio is below where it was in the 1980s.

For the modified bears, all this is of limited relevance. The present reality is that private investors have come to see equity investing as a one-way bet. At this level, the market relies on a tide of money from mutual funds. Though that is perhaps slowing, it is still unsustainably high.

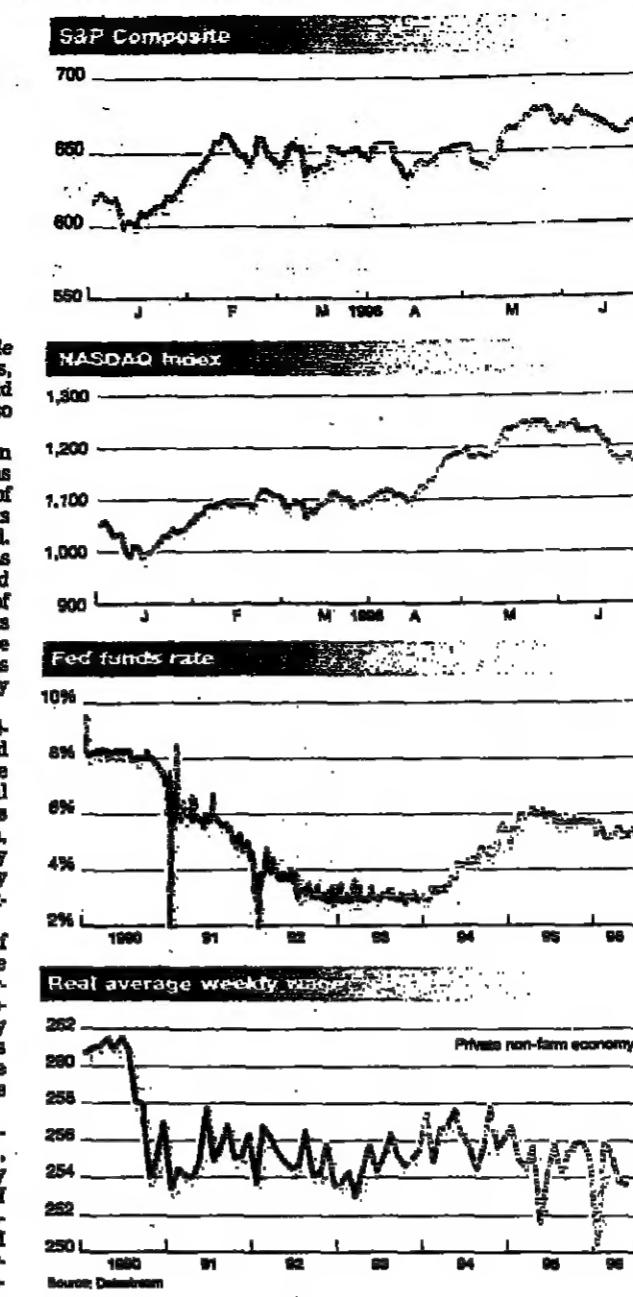
As Mr Dudack of UBS points out, the flow of money into equities this year is larger than total personal savings. This implies that individuals are devoting all their spare resources - and more - to a single

investment, at a record low, since everyone assumes commodity prices can't go up.

Above all, he says, any real change in the market's complicity over inflation could prove very damaging. That seems undeniable. The retreat of inflation, whatever its cause, has been the dominant feature of investment in the 1990s. The question of its permanence will continue to dominate at least until the millennium.

One could perhaps argue that the market is not as complacent about inflation as all that. It is particularly sensitive to suggestions of wage inflation, and the regular government figures on unemployment have caused momentary turbulence for several months in a row.

But for Mr Metz, the market has seen nothing yet. "I think we're about to have the strongest world economy since 1988," he says. "This is at a time when inventory levels



are at a record low, since everyone assumes commodity prices can't go up."

Then again, look at corporate profits. The bulls are happy to forecast growth in operating earnings this year of 10 per cent or so. But reported earnings have been profoundly affected in recent years by the massive restructuring of corporate America.

In the process, the line between one-off costs and ongoing expense has been considerably blurred. "It's a very unhealthy climate," Mr Metz says. "Dividend payouts are at a record low, and you're hearing everything on earnings which may turn out to be fictional."

The conclusion from all this is that the outright bulls are in the minority, and that market professionals, at least, live in nervous apprehension of a sizeable correction. The bulls will take comfort from this; for it is the habit of the market, as the cliché has it, to climb a wall of worry.

And indeed, a fall is not the only mechanism by which an overvalued market corrects itself. It may simply fail to rise for a year or two, if the modified bears are right, or for decades, as happened from the mid-1960s until 1982.

Taken all round, the odds must be on something more dramatic. So where does that leave investors?

For those who have already missed Wall Street's rise - including an uncomfortable number of Europeans - it might seem too late to do anything but await events.

The really difficult call would come immediately after a 1,000-point fall as predicted by Mr Wien: whether to jump back in, or follow the true bulls and look elsewhere.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Market pressures will force down CAP cost

From Mr Nick Young,

Sir, Martin Wolf's "Thinking the unthinkable" (June 18) quotes Professor Patrick Minford's contribution to the debate on UK withdrawal from the EEC. Minford's analysis of the trade diversion effects of UK withdrawal is misleading in respect of agricultural policy costs and should not be allowed to pass without comment. He suggests the Common Agricultural Policy costs the UK some £6.5bn in a "typical" year. His analysis does not allow for changes which will be forced on the EU's Common Agricultural Policy over the next few years.

The acceptance of the US Federal Agricultural Improvement and Reform (FAIR) Act of 1996 and policy changes elsewhere are

factors which will render the EU's CAP unsustainable at its current level. Past experience should forewarn us that the CAP is often above reason, but international markets will exert considerable pressure on key EU farm export sectors to push for change from within the farming community. This will reduce the cost of agricultural policy to the UK. Those pursuing the economically suicidal option of a UK retreat to a life outside the EU should take care when using the farm policy cost figures quoted in the article.

Nick Young,
President,
Produce Studies Group,
Alexandria,
Virginia 22314, US

Wasteful example of market failure

From Mr M.G. Thomas,

Sir, I join Mr R.G. Loram (Letters, June 24) in deplored the UK's relatively heavy use of landfill as a means of disposing of waste. I do not, however, share his view that waste recycling is an uneconomic strategy, frustrating away European countries' financial resources.

Waste generation is a prime example of market failure, which results in resource misallocation and lower long-term living standards. The problem lies in the inability of economics accurately to quantify external costs so that resources can be efficiently allocated, rather than in the uneconomic nature of recycling. Unquantified does not, however, mean unimportant.

I do not wish to see the continued

proliferation of landfill sites, associated despoliation and increased heavy vehicle traffic. I do wish to see a recycling regime in place to compensate for the market mechanism's inability to plan long term, when my children may have to cope with hitherto unforeseen complications resulting from landfill and excessive waste generation. Rather than focus on short-term financial costs, it would be refreshing to see exploration of the commercial opportunities associated with sustainable business activity.

M.G. Thomas,
Brook House,
Norley Lane,
Crowthorne, Berkshire,
Cheshire CW6 2RR, UK

Labour aim is regulatory system that works

From Mr Alastair Darling,

Sir, I refer to Joe Rogaly's article "Dodgy dealers and morality" (June 22/23). Mr Rogaly was being a bit naughty in selectively quoting from a speech I gave last week. He was critical of our desire to reduce the quantity of City regulation. He quoted from a passage in my speech: "... the best form of compliance will come through real competition where consumers can make informed choices...". I went on to add, in the same sentence, "... we are nowhere at that position now".

It is not our position that we don't need robust supervision and regulation. The point is that we now have a profusion of regulatory requirements which don't enjoy the confidence of the public or the industry.

We propose that the regulatory system should concentrate on fewer rules and regulations that actually

work. For example, on qualifications and training. The present system of compliance through box-ticking is not achieving the essential trust between buyer and seller. The present system proceeds on the basis that if you have a sufficient quantity of rules, you must have protection against wrongdoing. That is not the case.

Mr Rogaly has the full text of my speech. We have made proposals which will reform both the structure and, crucially, the nature of UK regulation. We will also ensure that there is a relationship between the cost of the system and its benefit.

Alastair Darling,
Opposition spokesman on the City and Financial Services,
House of Commons,
London SW1A 0AA, UK

From P.G.B. Wills,

Sir, "Competition" states Joe Rogaly somewhat ingeniously, "will engender more virtue than any ethics committee".

Really? From where I sit, the standards of the British Press deteriorate daily. I put this down to unbridled competition. In addition, the newspaper industry refuses to accept any type of ethics at all, whether imposed by self-regulation or otherwise. I can quite see, therefore, that an ethics committee would be a pointless exercise in Mr Rogaly's profession.

Happily, most people are not journalists, and can therefore not only accept ethics as a concept, but can try and define them, for the benefit of others.

P.G.B. Wills,
Par Horizons,
Haytor Newton Abbot,
Devon TQ13 8XU, UK

A taxing gift

From Mr Mark Dyer,

Sir, The gift Dan Wagner (Observer, June 27) made to his fiancée is indeed very touching if he had waited until after the marriage they would not have left themselves open to actual or potential capital gains tax liabilities on the gift.

I wonder, is he going to do the decent thing and pay the CGT, or will they "holdover" and leave it to her?

Mark Dyer,
The Dyer Partnership -
Accountants thru Internet,
Scope House,
High Street,
Bordon, Hampshire, UK



ROUND THE ISLAND



ON THE ROCKS

ROUND THE ISLAND RACE, TAHOE CITY	29 June
VENICE CUPPOLE GOLD CUP, POOLE, CORNWALL FRI	29 June - 1 July
HENLEY ROYAL REGATTA	1-7 July
SOP CAMPIONE TEST MATCH & LADIES TENNIS CHAMPIONSHIPS	4-9 July
HAMPTON COURT PALACE INTERNATIONAL FLUTE FESTIVAL	11-14 July
BATHURST GRAND PRIX, BIRMINGHAM	11 July
GEORGES CHAMONIX	10 July - 5 August
COPACABANA	1-10 August
BLACKPOOL BARGE TRIALS, STAMFORD	1-5 September
L.F. FESTIVAL AT ST. SAVIOUR'S, GREAT MILNDALE	1-5 October

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CHAMPAGNE OF THE SEASON

Until a few years ago, nobody would even have thought of asking whether Mr Carlo De Benedetti was an asset or a liability for Olivetti.

But five years of continuing losses at the Italian computer group - of which he is chairman, chief executive and controlling shareholder - and a string of recent setbacks have taken their toll.

Three days ago, Olivetti confirmed rumours that Mr Corrado Passera, the company's joint chief executive and Mr De Benedetti's closest assistant for the last 11 years, was planning to leave the company.

Whether Mr Passera, 41, is being forced out, as insiders claim, or has simply decided to seek new challenges, as Mr De Benedetti says, is irrelevant. With the premature departure of the joint architect of the group's recovery plan, attention is again focused where Mr De Benedetti likes it to be: on himself.

The problem is that shareholders, analysts and even some employees have begun to wonder whether at 61, L'Ingegner (the engineer) - the swashbuckling financier who successfully transformed Olivetti from typewriter manufacturer into computer-maker - has lost his touch.

If he has, Mr De Benedetti will be the last to admit it. He still takes a showman's pleasure in confounding his critics.

Last autumn, for example,

most observers expected Olivetti to end in the arms of the underwriters, when Mr De Benedetti asked shareholders to sign up to a £2.257bn (£500m) rights issue aimed at transforming the company into a broad-based information technology and telecoms group. Advisers tried to dissuade him from taking part in the subsequent investment roadshow, fearing his presence might be counterproductive. They later admitted it was Mr De Benedetti's performance which helped swing investors, particularly in the US, in favour of the issue.

Within days of announcing the successful conclusion of the capital increase, however, news seeped out that the group's 1995 restructuring costs were higher than originally expected. The shares dropped sharply to below the price just paid by the fund managers charmed by Mr De Benedetti.

Disgruntled investors and analysts say the episode is typical of the way in which Mr De Benedetti has, over the last few years, papered over the cracks in Olivetti's credibility with his own charisma.

As the credibility gap has widened with his repeated forecasts of better days that never come, this feat has become more difficult to achieve. Although they backed the Olivetti issue, bankers did not have enough confidence in the De Benedetti factor to underwrite parallel rights issues at Cofide and Cir, the two quoted holding companies through which his family controls Olivetti. Cir's stake in Olivetti was diluted to 15 per cent of the computer group, and Mr De Benedetti was obliged to proclaim that Olivetti had become "Italy's first real public company", with a diffuse shareholder register.

This is a far cry from the late 1980s when Mr De Benedetti was the most prominent representative of a new-style Italian capitalism. He was the outsider bent on breaking open the closed circle dominated by Fiat, the automotive and industrial company, and Mediobanca, the secretive Milan merchant bank. Some traced this anti-establishment attitude back to the De Benedetti family's Jewish origins, which forced them to flee in the last two decades, fighting to preserve his reputation.

In the space of a decade he masterminded a series of audacious investments - market raids of the sort Italy had never seen before - starting with the purchase of a minority stake in Olivetti in 1978.

The acquisition culminated in 1988 with his unsuccessful bid for Société Générale de Belgique, the Belgian establishment's holding company, by which time he had built a reputation as an expert dealmaker and financial engineer.

In the process, Mr De Benedetti acquired all the trappings of Italian business success - a yacht, private jet and a newspaper (*La Repubblica*). And although the rivalry with Fiat remained, he was co-opted into the business establishment he had once challenged.

The election of a centre-left government in April, supported by the entrepreneur and his publications, should have marked the climax of that process of acceptance. Instead, the crowning glory of Mr De Benedetti's political allies has found the entrepreneur at his lowest point in the last two decades, fighting to

Earlier this month, an appeals court reduced but did not overturn a jail sentence for Mr De Benedetti in connection with his role in the collapse of Banco Ambrosiano in 1982. The Olivetti chairman is appealing against the "unjust and unjustified" ruling.

The day after he resigned from the executive committee of Confindustria, the Italian employers' federation, a post he had held for 23 years, in the wake of pointed comments by the federation's new president about committee members' ethical obligations. Mr De Benedetti perhaps expected the resignation to be turned down by his fellow industrialists, but it was quietly accepted.

Meanwhile Olivetti is still struggling to prove that it is still on the mend. Mr De Benedetti says the success of the rights issue and the challenge of transforming the company again have rejuvenated him. He claims the ailing personal computer business (entrusted to Mr Passera in January) is now breaking even.

But insiders say Mr De Benedetti now seems to reserve his real enthusiasm for his old office.

not for the nitty-gritty business of running the company but for international issues. He has become a sort of roving ambassador for the "information society" and is on the international council of J.P. Morgan, the US investment bank.

Meanwhile, he rules the company in an increasingly autocratic fashion. One employee says working for Olivetti is now "like being in Dallas or *The Bold and the Beautiful*. It's a daily soap opera: is he going to like this person or hate him? Is he going to do this or do that?"

Some observers believe Mr De Benedetti could still shape a new Olivetti, but to restore the confidence of investors, he may need to renounce the power he has accumulated over the last 30 years. If there's still time, he could choose to be a sort of non-executive chairman - where he can use his international and political contacts - and call in a top manager from outside, someone really tough, to take the company in hand," says one former Olivetti executive.

Such a solution might suit a man who is thought by many to have lost his old appetite for the business and would prefer to spend more time with his family. "He now likes playing the grandfather," says another former Olivetti employee. In spite of all his travails, Mr De Benedetti is, after all, a man who likes to be liked.



Man in the News · Carlo De Benedetti

Spanner in engineer's works

Andrew Hill on a business chief struggling for credibility

England lost a Euro 96 match but won a commercial victory, say Patrick Harverson and Jimmy Burns

When football came good

"Everyone seems to know the score... They're so sure that England's going to throw it away, going to blow it away... Thirty years of hurt never stopped me dreaming... football's coming home."

And so it did. For the 70,000 English football fans who sang the words to *Three Lions* - the unofficial anthem of Euro 96 - at Wembley on Wednesday night, the European football championship brought football home to England in some style.

Many feared otherwise. The recent history of English football has been marked by rampant hooliganism, which contributed to the deaths of innocent spectators at the Heysel stadium in Brussels in 1985. The desecration of its stumps was symbolised by the disaster at the Hillsborough stadium in Sheffield in 1989 when 96 fans died. And the national team's recent record on the pitch was disastrous.

Yet the Football Association and UEFA, the sport's governing body in Europe, have been delighted with the progress of the three-week tournament. England's departure in a semi-final penalty shootout may have robbed the story of a compelling climax. Tomorrow's clash between Germany and the unfeigned Czech Republic is not the glamorous final between two top teams the organisers might have wished. But there is little doubt Euro 96 has been a success.

Before the event, the organisers' biggest fear was that the Euro 96 cities would become a

battlefield between England's notorious hooligans and their equivalents from Holland, Germany and Scotland.

There was some sporadic violence in London's Trafalgar Square and other towns after England's defeat on Wednesday night. But thanks to advance planning and tough policing, football hooliganism was largely absent at the eight stadiums hosting the matches. An unprecedented level of international co-operation on intelligence gathering, a generally well-controlled ticket sales system and expensive seating contributed to the decision of continental and English tourists to stay at home.

"What we set ourselves as a target was to stop a minority of hooligans from disrupting the holding and enjoyment of Euro 96," says Mike Cobb of the Metropolitan Police. "I think we can claim to have achieved that."

The tournament has clearly been a success in commercial terms. It is expected to generate \$150m of revenues from ticket sales, television rights and corporate sponsorship, the bulk of which will go to UEFA.

And the tournament's corporate backers, which have spent at least another \$100m on advertising to promote their association with the event, have been delighted by the success of the England team in reaching the semi-finals.

England's progression to the semi-finals boosted retail sales of Euro 96 merchandise,



according to Licensed Properties International, the London-based company handling the licensing of Euro 96 products. Though sales have plummeted since England's defeat on Wednesday, they are expected to reach about \$30m by the event's close tomorrow night.

The government may have left most of the event's costs to the football associations, local authorities and the private sector but Deloitte & Touche, the accountancy firm, estimates the exchequer will gain more than \$200m in taxes from Euro 96 - a handsome return on an investment of a few tens of thousands of pounds.

However the tournament has had its problems. On the pitch, the low quality of many of the games - an average of only 2.03 goals per game was the second lowest in any European or world championship - has been a poor advertisement for the sport.

The football has been generally unimaginative, and lacking individual creativity," says Mr Jorge Valdano, the former Argentine international and Real Madrid manager who reported on Euro 96 for SER, the Spanish national radio station. "I call it industrial football, players on a conveyor belt, just trying to survive.

England was one of the few teams that played occasionally as if they wanted to win - perhaps because they had to."

Off the pitch, the biggest disappointment has been the poor crowds at many games. The FA says more than 1.2m of the 1.4m tickets were sold but the swathes of empty seats at many stadiums - especially the Manchester semi-final between France and the Czech Republic - suggested otherwise.

FA officials privately blame the empty seats on foreign football federations that ordered thousands of tickets on behalf of their supporters but failed to sell them.

Fewer foreign fans chose to follow their teams to England than were expected.

In Newcastle, for example, the number of overseas visitors staying was less than the hoped-for 30,000. Mr Ian Parkington, head of marketing services at the Northumbria Tourism Board, says there had perhaps been "a bit too much hype" in predicting numbers.

Even so local people turned out enthusiastically for Euro 96, the city's \$250,000 festival organised to coincide with the games at St James' Park.

Mr Parkington, a representative of the English regional tourism board on the national Euro 96 co-ordinating committee, believes the tournament has brought other benefits for the tourism industry.

"It's been a huge benefit not just from the people coming to

the tournament but the goodwill and profile established for the country. The scenes at Wembley of the good-natured crowd enjoying good football will have done a power of good."

Officials in Birmingham estimate the football championships have earned the city at least \$15m in revenues from the hotel, food and travel sectors. "The hotels, pubs and taxi drivers have made a killing," says Mrs Brenda Newton, a member of the city council's leisure committee. "It has also been fabulous for Birmingham people, who have joined in the city centre celebrations. Even the little old ladies who would normally say football fans are horrible were joining in the fun."

With football coming home, the FA has managed to emerge from the tournament boldly predicting that England can put in a strong bid for the 2006 football World Cup. That however will depend as much on the tortuous machinations of Fifa, world football's governing body, as on the UK government's ability to commit itself to the investment such an enterprise would entail.

Nevertheless the unveiling this week of Sir Norman Foster's bold plans for a new Wembley stadium is a symbol of optimism. As Andrew Wallace, a Euro 96 official, put it yesterday: "After the disasters of Hillsborough and Heyes, we hope we have achieved what we set out to achieve: the rehabilitation of football."

Additional reporting by Chris Tingle and Richard Wolfe

A Shakespearean revival on London's south bank

The reconstruction of the Globe theatre is the first stage in a mile-long riverbank renaissance, Antony Thorncroft says

On the south bank of the Thames, just upstream from Southwark Bridge and the Financial Times office, the past has materialised. The Globe, as exact a replica of William Shakespeare's late-16th-century playhouse as 20th-century expertise can achieve, is ready to admit its first audience in almost four centuries.

The first tickets have been sold, the actors start rehearsals next week and a short prologue season of Shakespeare's *Two Gentlemen of Verona* opens on August 21. A full season is planned for next summer.

"We are now financially stable and next year we will be a £5m business, visited by 400,000 people," says Mr Michael Holden, the theatre's chief executive.

The Globe was the dream of Sam Wanamaker, the American actor who devoted most of his energy to the project for several decades, but who died in 1993 just before its success was assured. It has cost more than £25m, including £12.4m from the National Lottery. Another £6.5m is needed to complete the educational exhibition centre.

But the emergence of the Globe on a neglected stretch of London's south bank is not just the fulfilment of one man's personal obsession. It is the first in a series of developments which will make this mile-long stretch of the Thames one of London's main cultural and tourist attractions.

The Globe is overshadowed by the disused Bankside power station, the second-largest brick building in

Britain, designed by the architect Sir Giles Gilbert Scott. It is being converted - at a cost of £106m - into the Tate Gallery of Modern Art.

Barely 100m further to the west is a remnant of the old Blackfriars railway bridge, which the Institute of Contemporary Arts has earmarked as the site of a new home when it moves out of its elegant Nash premises close to Buckingham Palace.

The existing south bank arts complex, grouped around the Royal Festival Hall, is half a mile beyond. Developed since the 1981 Festival of Britain, it includes the Royal National Theatre, which is planning a £20m redevelopment to soften the lines of St Denys Lasdun's brutalist building.

The South Bank Centre, which administers the complex, wants to spend £170m to refurbish the buildings between Waterloo and Hungerford bridges, covering them with a crystal canopy designed by Sir Richard Rogers, the architect behind the Pompidou Centre in Paris.

Finally, Shell's Downstream Building is being converted into a home for Trinity College of Music and a base for many of London's orchestras and musical institutions.

Many of these plans depend on National Lottery cash. To qualify, they must convince the lottery boards of the merit of their projects and raise 25 per cent of the cost themselves. The South Bank Centre has asked for £127m, the largest request for money from the lottery's arts fund.

The government could justify more flexible guidelines by stressing the economic advantages of cultural developments. This is especially true



Global ambitions: Reconstruction of Shakespeare's theatre is almost complete

on the south bank, where the boroughs of Southwark and Lambeth are among the poorest in London.

The Tate was quick to make the economic case for siting its gallery on Bankside. Its projections, produced by McKinsey, the consultants, suggest that up to 1,000 jobs could eventually be created in Southwark, and that the 2m-plus expected visitors would spend £50m a year in the borough.

The Tate can point to the success of its satellite museum in St Ives in Cornwall, which opened three years ago. Expected to attract up to 80,000 visitors a year, it is visited by more than 180,000, mostly from outside Cornwall. The Cornish economy is reckoned to have expanded by 2 per cent through the opening of the museum, according to Mr Sandy Nairn, the Tate's development director.

Glasgow has transformed its image with the Burrell art gallery, a new concert hall, a recently opened

museum of modern art and a proposed museum of Scottish art. Other UK cities to have used cultural institutions as a focus for regeneration include Birmingham, which built its Symphony Hall, Bradford, with the Museum of Photography, Leeds, where the Royal Armouries have been located, and Manchester, with a concert hall opening this autumn. The Liverpool Tate, opened in 1988, has also been a magnet for tourists.

The first signs of regeneration are visible around Shakespeare's Globe. A contemporary art gallery, Purdy Hicks, opened around the corner this week, a cafe has appeared opposite, adjacent shops, under for years, have found tenants and an empty Victorian office block in nearby Southwark Street is being converted into a hotel.

The vision of Sam Wanamaker and the arrival of the National Lottery have combined to return London's long-neglected south bank to its 16th-century role as the entertainment and leisure centre of the capital.

A blitz that risks burnt fingers

Roderick Oram on a controversial tobacco advertising campaign



Inhaling another person's cigarette smoke is healthier for you than eating biscuits or drinking water. That is the message that many have seen in the pan-European advertising blitz by Philip Morris, US maker of Marlboro cigarettes.

The company is arguing that cancer risks from passive smoking are statistically insignificant, smaller even than "risks" such as the danger of suffering heart disease as a result of eating one biscuit a day.

But the advertisements have produced a storm of protest from health ministers, EU commissioners, the anti-smoking lobby and French, Belgian and British bakers. Even the newspapers that carry the advertisements have incurred the wrath of angry readers.

"My father died in my arms six months ago of lung cancer caused by cigarettes," one wrote to the FT. "When I see Philip Morris's regular advertisements, and the tone of such advertisements, in your otherwise so credible paper, I see red."

"We're absolutely astonished and delighted with the level of discussion," says Mr David Greenberg, director of corporate affairs for Philip Morris Europe.

The company believes passive smoking is a social problem, not a health risk. It hopes to encourage smokers and non-smokers to coexist considerately rather than let governments dictate where and when people can smoke.

Philip Morris says the anti-smoking lobby has distorted the debate by claiming passive smoking increases your chance of developing cancer. It funded a panel of independent scientists to review 40 studies of the issue over recent years: they found no relevant correlation in any of them.

The company refuses to say what it will spend on its six-week advertising blitz in newspapers and magazines in nine European countries. In the UK, industry estimates are that spending on film. So far, it has encouraged just 2,500 people in all nine countries to write in for details of the argument.

The campaign ended prematurely in France after a court blocked the ads pending a hearing on the bakers' complaint. The company also stopped them in the Netherlands, where they had been attacked by the health minister. It denies the attack was the reason for withdrawal - the ads had achieved their desired effect so "we are marshalling our resources".

MARKETS REPORT

Yen weakens

By Philip Gavith

Foreign exchange markets had a well-balanced diet yesterday - some useful economic data from Japan in the morning, followed by a G-7 communiqué to chew over in the afternoon.

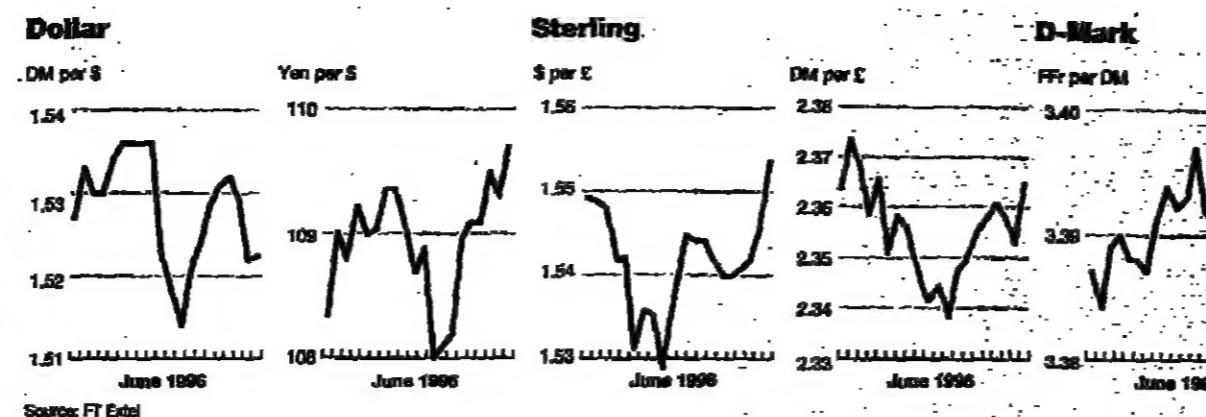
The combination of higher than expected unemployment, and lower than expected inflation, scuttled any lingering expectations of an early rise in Japanese short term interest rates, and this caused money to flow out of the yen.

It finished in London at Y109.658 against the dollar, having earlier reached Y109.98 in an unsuccessful effort to breach the Y110 level. The D-Mark was also much stronger against the yen, finishing at Y72.05, from Y71.82, while sterling breached the Y170 level to reach a three year high.

Overall sterling finished the week strongly, with the trade weighted index closing at 86.3.

■ The G-7's comment on exchange rates was: "We welcome the broad movements in the major currencies since April 1995. These are positive and promising developments."

It was buttressed by a stream of off the record glosses



Source: FT Estd

by officials. One US official said G7 leaders did not discuss whether further currency moves were needed, nor did they discuss particular levels.

New wires were awash with other banal official utterances such as "G7 finance ministers should continue close cooperation in forex markets".

Markets tend to have a slightly schizophrenic approach to these delphic comments. The inclination of some is to dismiss them as so much waffle, but those with longer memories know that they repay study. Indeed, as Mr Larry Summers, the US deputy Treasury secretary said earlier this week, when the G-7 chose

economist at the Bank of America in London, said: "The economic communiqué could have been written by anyone in the market - there were no surprises in it."

Markets were also chewing over comments made by Mr Hans Tietmeyer, the Bundesbank president, on Thursday, that the D-Mark's strong appreciation in the spring of 1995 was now fully corrected. Subsequent efforts at clarification from the Bundesbank appeared

to comment on exchange rates, "we made sure it meant something."

If there is a key word in the current statement, it is obviously "promising", which suggests a work in progress something incomplete.

Markets were also chewing over comments made by Mr Hans Tietmeyer, the Bundesbank president, on Thursday, that the D-Mark's strong appreciation in the spring of 1995 was now fully corrected. Subsequent efforts at clarification from the Bundesbank appeared

aimed at showing that this did not mean the correction could go further.

Mr Ray Attrill, analyst at 4CAST in London, said: "When the Bundesbank's comments are taken alongside strongly stated US views that Japan should not be contemplating higher interest rates, we are convinced that the private discussions on the dollar at G-7 will conclude that further wild dollar appreciation is to be welcomed by Germany and Japan and tolerated by the US."

POUND SPOT FORWARD AGAINST THE POUND

Jun 28	Closing mid-point	Change on day	Bid/offer spread	Day's Mid low	One month rate	Three months rate	One year rate	Bank of England Index
Europe								
Austria (Sch)	16.6448	+0.0682	385 - 520	16.6586	16.5570	16.6136	2.3	104.8
Belgium (Bfr)	48.6783	-0.0098	370 - 510	48.7220	48.5810	48.694	2.2	102.5
Denmark (DKR)	1.0718	-0.0071	113 - 263	1.0718	1.0694	1.0716	1.6	102.5
Finland (Fnr)	7.2188	+0.0761	961 - 021	7.2300	7.1490	7.2144	0.7	103.6
France (FrF)	7.8291	-0.0081	961 - 021	7.8518	7.9818	7.9269	1.8	103.1
Germany (Dm)	2.2651	+0.0125	840 - 861	2.2670	2.2615	2.2607	2.3	102.3
Greece (Dr)	1.4843	+0.0888	228 - 258	1.4843	1.4742	1.4843	0.6	107.4
Ireland (Ir)	0.9726	+0.0021	721 - 737	0.9748	0.9712	0.9712	0.6	102.0
Italy (Lir)	1.2050	-0.0071	370 - 510	1.2050	1.2050	1.2050	2.0	102.5
Luxembourg (Lfr)	48.6783	-0.0098	370 - 510	48.7220	48.5810	48.694	2.2	102.5
Netherlands (Ns)	2.6822	+0.0115	510 - 533	2.6844	2.6839	2.6842	2.8	103.6
Norway (Nkr)	10.0244	+0.0483	889 - 921	10.1039	10.0449	10.0555	1.0	99.85
Portugal (Pst)	2.4347	+0.0029	262 - 283	2.4365	2.4172	2.4368	-2.1	94.8
Spain (Pt)	120.2117	+0.111	315 - 318	120.3116	119.7202	120.4022	-1.8	102.5
Sweden (Kr)	1.0247	+0.0021	488 - 510	1.0247	1.0247	1.0247	0.6	102.5
Switzerland (Fr)	1.5144	+0.0111	428 - 457	1.5144	1.5038	1.5144	3.1	109.8
UK (P)	1.2477	-0.0081	470 - 483	1.2484	1.2412	1.2434	1.4	120.1
Ecu	-	-	-	-	-	-	-	102.5
SDR	-	-0.0084	-	-	-	-	-	102.5
Americas								
Argentina (Peso)	1.5515	-0.0078	511 - 521	1.5535	1.5488	-	-	-
Brazil (Rsr)	1.5501	-0.0099	568 - 606	1.5501	1.5515	-	-	-
Canada (Cs)	2.1219	-0.0017	210 - 227	2.1233	2.1077	2.1212	0.4	84.4
Mexico (New Peso)	11.7774	-0.0144	670 - 676	11.7910	11.7519	11.7768	-2.1	97.2
USA (S)	1.5528	-0.0078	531 - 541	1.5548	1.5486	1.5534	0.2	105.4
Australia (A\$)	1.3742	-0.0144	701 - 703	1.3755	1.3697	1.3705	-1.5	101.7
Hong Kong (Hk\$)	12.0307	-0.0099	341 - 363	12.0300	11.7505	12.0191	0.8	102.075
India (Rs)	54.7307	-0.3212	156 - 181	55.0540	54.1940	-	-	-
Ireland (Skr)	5.0024	-0.0547	581 - 601	5.0098	4.9897	-	-	-
Japan (Y)	170.4235	-1.458	346 - 500	170.650	169.130	169.688	5.1	132.2
Malaysia (M)	3.8771	-0.0074	754 - 757	3.8794	3.8685	3.8794	-2.2	103.0
New Zealand (NZ\$)	1.2050	-0.0025	667 - 687	1.2050	1.2028	1.2073	-2.5	102.5
Philippines (Peso)	40.7203	-0.1884	114 - 251	40.7203	40.1253	2.2731	-0.8	102.5
Saudi Arabia (Riyal)	5.8274	-0.0263	228 - 258	5.8265	5.7998	-	-	-
Singapore (S\$)	2.1821	-0.0125	918 - 944	2.1920	2.1810	-	-	-
South Africa (R)	6.7265	-0.2455	3.770 - 321	6.7344	6.6982	-	-	-
South Korea (Won)	1250.40	-6.88	881 - 100	1261.00	1251.23	-	-	-
Taiwan (T\$)	42.7992	-0.0128	107 - 127	42.8020	42.6540	-	-	-
Thailand (Baht)	36.4653	-0.0084	715 - 819	36.4653	36.2250	-	-	-
1 Rates for Jun 27. Sterling rates are only the average quoted against the major currencies of the world. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling rates calculated as the sum of forward rates for 120 days, 180 days, 240 days, 360 days and 540 days. Some values are rounded by the F.T.								

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jun 28	Closing mid-point	Change on day	Bid/offer spread	Day's Mid low	One month rate	Three months rate	One year rate	USP Morgan Index
Europe								
Austria (Sch)	10.7127	-0.003	688 - 155	10.7310	10.6855	10.6832	2.2	104.7
Belgium (Bfr)	37.0200	-0.001	640 - 670	37.0200	37.0200	37.0200	2.2	102.5
Denmark (DKR)	4.5485	+0.02	422 - 428	4.5485	4.5150	4.5150	1.7	102.5
Finland (Fnr)	1.5123	-0.0007	475 - 492	1.5150	1.5148	1.5148	1.5	102.5
Germany (Dm)	1.5123	-0.0004	218 - 225	1.5125	1.5108	1.5108	2.2	107.7
Greece (Dr)	240.755	-0.058	880 - 920	240.755	240.755	240.755	2.8	106.8
Ireland (Ir)	1.5123	-0.0001	1,250 - 1,250	1.5123	1.5123	1.5123	0.4	102.5
Italy (Lir)	1.5123	-0.0001	100 - 500	1.5123	1.5123	1.5123	2.0	102.5
Luxembourg (Lfr)	31.2300	-0.0101	100 - 500	31.2300	31.2300	31.2300	2.0	102.5
Netherlands (Ns)	1.5123	-0.0011	620 - 650	1.5123	1.5123	1.5123	2.4	102.5
Norway (Nkr)	9.6955	-0.0015	520 - 550	9.6955</td				

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**NETS- Gross Contracted rate of interest payable, net holding
costs of the collection of basic rate income less the first rate of
interest payable after allowing for deduction of basic rate
income less the first rate. Gross rate adjusted to take account
of discounts and interest paid after more than a year.
Unadjusted Annual Rate = Gross Prepayment of which amount
is credited to the account.**

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MANAGED FUNDS NOTED

These are notes which inform you about and describe a plan to which we refer to as "MUTUAL FUND".
 Yield % allow us to say buying/selling
 price of certain other investments listed plus stated
 interest or dividends per share.

1) **Perpetual Income Fund**. The manager authorizes
 a class of units
 - Name - Bankers Trust Company
 - Principal Services Corporation
 - Fund Manager - First Boston Fund of Funds
 - Sub-Fund - Financial Services Corporation
 - Policy - Financial Services Corporation
 - Management fee - 1% of assets
 - Annual charge - Charge based on a ratio of units
 - Selling price - Net or management price.
 - Buying price - Offer or base price.
 - Price - The date shown describes the last Manager's
 estimate of the sum of the fund's valuation price, unless
 otherwise indicated by one of the following symbols:
 - 1000 = 1000 units
 - 1400 = 1400 units
 - 1500 = 1500 units
 - 1700 = 1700 units
 - 1800 = outstanding
 - +/c change on sum of units.
 - Manager's periodic charge deducted from capital.
 - Reference pricing P - Forward pricing
 - Reference sum of UK bases.
 - Periodic or monthly valuation price.
 - Single premium investment.
 Designations as a UNIT (Underwriting for Collective
 Investment in Transferable Securities)
 - Offered price includes all expenses except agent's
 commission.
 - Previous day's price.
 - Premium price.
 - Yield before January 1st.
 - Ex dividend date - Ex-dated.
 - Only available to designated bodies
 - Total expense ratios annualized rates of May
 previous year.

*As fund prices on these pages are not available on
 request at present, telephone*

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NORTH AMERICA



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INDICES

	Jan 31	Jan 27	Jan 26	High	1995
					Low
Argentina General(2/1/377)	\$0	10000.00	10000.00	10000.00	205
Australia All Ordinaries(1/190)	2242.1	2241.8	2252.8	2220.00	284
All Malak(1/1/80)	1026.3	1023.2	1023.3	1116.40	95
Austria Credit Aldex(3/12/84)	374.44	374.54	377.84	364.90	316
Traded Index(2/1/91)	1080.81	1082.87	1086.43	1142.51	293
Belgium BEL20(1/1/81)	1742.94	1730.17	1730.91	1773.28	285
Brazil Bovespa(2/1/203)	\$0	9161.60	9227.20	9227.00	216
Canada Msci Minip(1/1973)	\$0	5070.00	5087.49	5024.80	876
Composite(1/1975)	\$0	5011.60	5027.00	5216.40	31/5
Portfolios(1/1/82)	\$0	2484.19	2477.11	2505.55	276
Chile ISPA Gen(1/31/1980)	\$0	5520.00	5490.00	5604.00	871
Denmark CopenhagenSE(1/183)	408.29	407.89	407.28	408.29	285
Finland HX General(2/1/250)	2009.76	1980.14	2006.70	2070.42	31/5
France SBF 250(1/1/200)	1448.40	1441.20	1440.71	1457.50	68
CAC 40(3/1/1987)	2123.70	2112.85	2113.28	2146.78	304
Germany FAZ Aktien(1/1/258)	807.04	808.77	911.58	811.68	256
Commerzbank(1/1/253)	2613.50	2617.80	2622.40	2623.40	256
Dax(3/1/1987)	2561.38	2551.02	2573.89	2673.89	256
Greece Athens SE(1/1/280)	910.12	911.59	\$0	1017.98	43
Hong Kong Hang Seng(1/1/64)	11020.90	11022.45	11059.92	11084.99	162
India BSE Sensex(1/1979)	3812.52	3848.11	3762.75	4098.26	186
Indonesia Jaktim Comp(10/8/82)	594.26	592.03	592.79	630.21	244
Ireland ISEQ Overall(4/1/89)	2541.43	2532.08	2544.30	2586.19	186
Italy Banca Comit Bari(1972)	657.83	656.10	661.18	674.10	205
MBS General(3/1/98)	1115.0	1112.0	1121.0	1142.00	205
Japan Nikkei 225(16540)	22500.75	22501.61	22665.80	22665.80	256
Nikko 200(1/10/82)	317.53	317.53	317.53	317.53	133

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INDEX FUTURES						
	Open Set Price	Change	High	Low	Est. vol.	Open Int.
EURO CAC-40 (200 x Index)						
Jun	2118.0	2123.4	+14.9	2131.0	2115.0	17,925
Jul	2115.0					

	2115.5	2117.0	+14.5	2131.0	2115.0	17,985	11,985
DAX				2128.0	2117.0	20,885	35,595
Sep	2579.0	2589.0	+18.5	2595.0	2574.0	12,585	
Dec	2596.5	2608.5	+20.0	2610.0	2595.5	12,585	
- Set Jun 22:	Tolson Weighted Price	Fwd 35.595	V				5

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US INDICES

Dow Jones	Jes
Industrial	677.53
House Bonds	101.38
Report	218.19
All	216.80
Ind. Day's high	5715.21 (5715.21)
Day's high	5893.07 (5720.38) L
Standard and Poors	
Spotted:	688.64
Utilities	784.98
Financial	67.23
EE Corp.	357.58
Ex Mtg Val	570.13
EDO Corp	1168.01
RATIOS	
Dow Jones Ind. Div. Yield	
P Ind. Div. yield	

11,200 2,800 12,200 8,500 1,2

	Jun	1986	Since completion		
	26	High	Low	High	Low
70	5718.27	5776.00	5032.94	5776.00	41.22
		(225)	(101)	(225/98)	(87/752)
23	101.32	102.00	101.08	102.77	54.98
		(74/2)	(74/2)	(101/62)	(1/1061)
35	2127.48	2265.20	1882.71	2265.20	12.32
		(225)	(18/1)	(225/98)	(87/732)
4	212.34	234.00	205.42	234.00	18.50
		(72/2)	(75)	(31/893)	(1/4032)
9	Low 5516.21	5562.04	(Theoretical)		
		5545.00	(5574.20)	(Value)	
5	992.48	672.91	355.48	672.91	4.40
		(245)	(101)	(245/98)	(1/632)
7	788.82	807.38	702.07	807.38	3.62
		(56)	(15/1)	(56/98)	(1/652)
8	86.78	98.98	58.67	98.98	8.84
		(53)	(10/1)	(53/98)	(1/1074)
35	358.03	383.74	321.41	383.74	4.48
		(245)	(101)	(245/98)	(25/442)
51	741.74	814.88	528.05	814.88	29.31
		(225)	(18/1)	(225/98)	(9/1272)
1172.59	1262.14	988.57	1249.14	988.57	54.87
		(56)	(15/1)	(56/98)	(31/1072)
21	Jun 14		Jun 7		Year ago
117		2.19	2.16	2.42	
25	Jun 19		Jun 12		Year ago
87		1.97	1.95	2.00	

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Price's Standardized Fire Protection

**NOTES - Prices on this page are as quoted on the
standard schedules and are subject to local
prices. Night/Load rates based on rates from Jan. 1,
1986. A Duplicate assessment, add 15% commission, no
late fees, or Ex charges. Ex charges, add 15%. Prices in US
units.**

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Reports will be issued on the next working day, subject to
availability.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and entered through the Stock Exchange Talieman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

* Bargains at special prices. ♦ Bargains done the previous day.

British Funds, etc

Tuesday 24/6 Sat 2000/03 - E1021

22/6/96

Corporation and County Stocks

Wednesday 25/6 Sat 2000/03 - E1022

E118 22/6/96

UK Public Boards

Cyprus Ltd 3% Inv Stk - E31

Cyprus Ltd 4% Inv Stk - E41

Foreign Stocks, Bonds, etc. (coupons payable in London)

Hungary (Republic of) 7% Inv Stg Bond Advt

Long 1998 Sch - E45

Austria National Treasury Sch 5% Inv Stg Bond

Gold 2000/03 5% Inv Stg Bond - E1020

Abbay National Treasury Sch 5% Inv Stg Bond - E1021

Abbay National Treasury Sch 5% Inv Stg Bond - E1022

Abbay National Treasury Sch 5% Inv Stg Bond - E1023

Abbay National Treasury Sch 5% Inv Stg Bond - E1024

Abbay National Treasury Sch 5% Inv Stg Bond - E1025

Abbay National Treasury Sch 5% Inv Stg Bond - E1026

Abbay National Treasury Sch 5% Inv Stg Bond - E1027

Abbay National Treasury Sch 5% Inv Stg Bond - E1028

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Abbay National Treasury Sch 5% Inv Stg Bond - E1099

Abbay National Treasury Sch 5% Inv Stg Bond - E1100

Abbay National Treasury Sch 5% Inv Stg Bond - E1101

Abbay National Treasury Sch 5% Inv Stg Bond - E1102

Abbay National Treasury Sch 5% Inv Stg Bond - E1103

Abbay National Treasury Sch 5% Inv Stg Bond - E1104

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Abbay

Weekend FT

Unknowns in search of the movie magic

Nigel Andrews meets the humble film extras, the oddjobbing hopefuls, who toil for a chance at the big time in Hollywood

Teenager Gilbert escaped Los Angeles' gangland to earn money as a Mexican vampire. Vertically challenged Susie (at something) earned \$30 a day as a remote-controlled penguin. British-born Arthur, 91, relived the American Civil War as a soldier, a carpenter, and the man you mistook for actor Leslie Howard. And 60ish Millie, now head of the Hollywood Extras Committee, came from Texas 30 years ago and found work as a wicked fairy.

For almost a century movie extras, or "background players" as we must begin calling them in these politically correct times, have filled up those corners of silent film not occupied by superstars or special effects. This summer a few hundred of them will once more be on show - target practice for the villains in *Mission Impossible*, fodder for vampire-killers in *From Dusk Till Dawn*, henchmen who get in Arnold Schwarzenegger's way in *Braver* - as the American blockbuster season restarts.

We all know why Hollywood is unique. It is a factory town where those employees called performers can do a hundred different jobs while staying in the same one, and where the humbler your grade the wider your choices. Players who are kicked upstairs into stardom, like Cruise or Costner, must spend their days sitting behind an immutable person, letting each new role submit to their mannerisms. But extras are a whole different story.

These are the oddjobbing unknowns who dream of fame while wearing the Cinderella rags of day-long drudgery. Despite the grim hours and conditions - set as early as five, off as late as midnight, and six hours before anyone has to feed you - you might be the one who ends up going to the Hollywood ball. And you might leave your image like a glass slipper on the steps of Warner, Fox or Paramount. That was what happened to Monroe, Stalag, Travolta and Bruce Willis, just four famous names who began as part of the human scenery.

Today, with cinema notionally in decline, those wannabe

stars still hire themselves out by the tens of thousands. Clocking into Central Casting's bunker-like HQ in North Hollywood, the rocky ones will go on to earn \$72 a day, although most of those will end up as a distant shape in a street scene (or less likely) a snippet of celluloid on the cutting room floor.

For a slight pay increase - \$80-100 a day - they can be special-duty extras and endure even worse treatment. Midget actors like Susie Rossitto, whose father did stand-in work for silent horror star Lon Chaney, and Jerry Marron, who began 30 years ago as a singing Munchkin in *The Wizard of Oz*, climb into overnight creature costumes for *Star Trek* or *Star*

When not struggling to see, hear and stay continent, an extra may be struggling to stay awake

War And chorus dancer Bobbie Bates has spent weeks rehearsing and shooting numbers for films like *Moms and Funny Girl*, only for her work to end in one shot or none. Boredom, discomfort, bad pay. Why do it? "Everybody's dream is to be on a movie set and become a star," says Bates.

"You think you're gonna have a magical time and sometimes you do," adds Rossitto. Her share of unmagical times includes the day she spent in a cable-operated penguin suit for *Bonfire Returns*. "The director was cueing us through earpieces - 'Take Danny DeVito's body and throw it in the water' - but we couldn't hear a thing because of the real baby penguins running around. It was chaos. You learn blander control too."

When not struggling to see, hear and stay continent, an extra may be struggling to stay awake. For long action-free days on set he or she, say veter-

ans, needs a checklist of essentials: book; personal stereo; pair of slippers for the noisy floors; hot water bottle for unheated sets; thermos; sandwiches. "And learn knitting while you're about it," says Extras Committee president Millie Wright.

The person who has spent

longest searching for the magic on movie sets is Arthur Tovey, Hollywood's oldest extra. He was Leslie Howard's stand-in on *Gone With the Wind* and Fred Astaire's double partner (he used to play the dancer's hands or feet for non-musical close-ups). For Tovey, being an extra meant "you had all the fun and no responsibility".

"Stars I doubted had to

learn lines, keep long hours, go to functions, make speeches," he says. "We extras were bottom of the totem pole but met everyone and shared the excitement. On *Gone With the Wind*, as well as doubling as Ashley Wilkes, I'd play soldiers or townspeople. I used to stand behind Vivien Leigh and she'd turn round with a grin and say, 'Oh it's you again!' Or I'd be in Clark Gable's trailer - I knew his stuntman - when he was making baby-talk down the telephone to his sweetheart Carole Lombard."

Fame by proxy - is that the thrill of being an extra? If so, does it make up for the deprivations?

Despite his debonair manner, Tovey lives in a modest bungalow in Studio City, its one luxury is the multi-screen TV/VCR system on which he views his old films. We spent a touching, if embarrassing, 15 minutes trying to find the one-line dialogue exchange he once had with Elvis Presley in *Viva Las Vegas*.

Carl Joy, president of Central Casting, says that no one gets rich being an extra. But some get richer than others.

"Special ability players get \$10 over basic and stand-ins earn \$97 a day. If you're a 'glamorous' extra with modelling experience in something like *Braveheart* you could work for over \$100. And if you speak one line of dialogue in a TV or movie drama you go to 'day player' rate which is \$32."

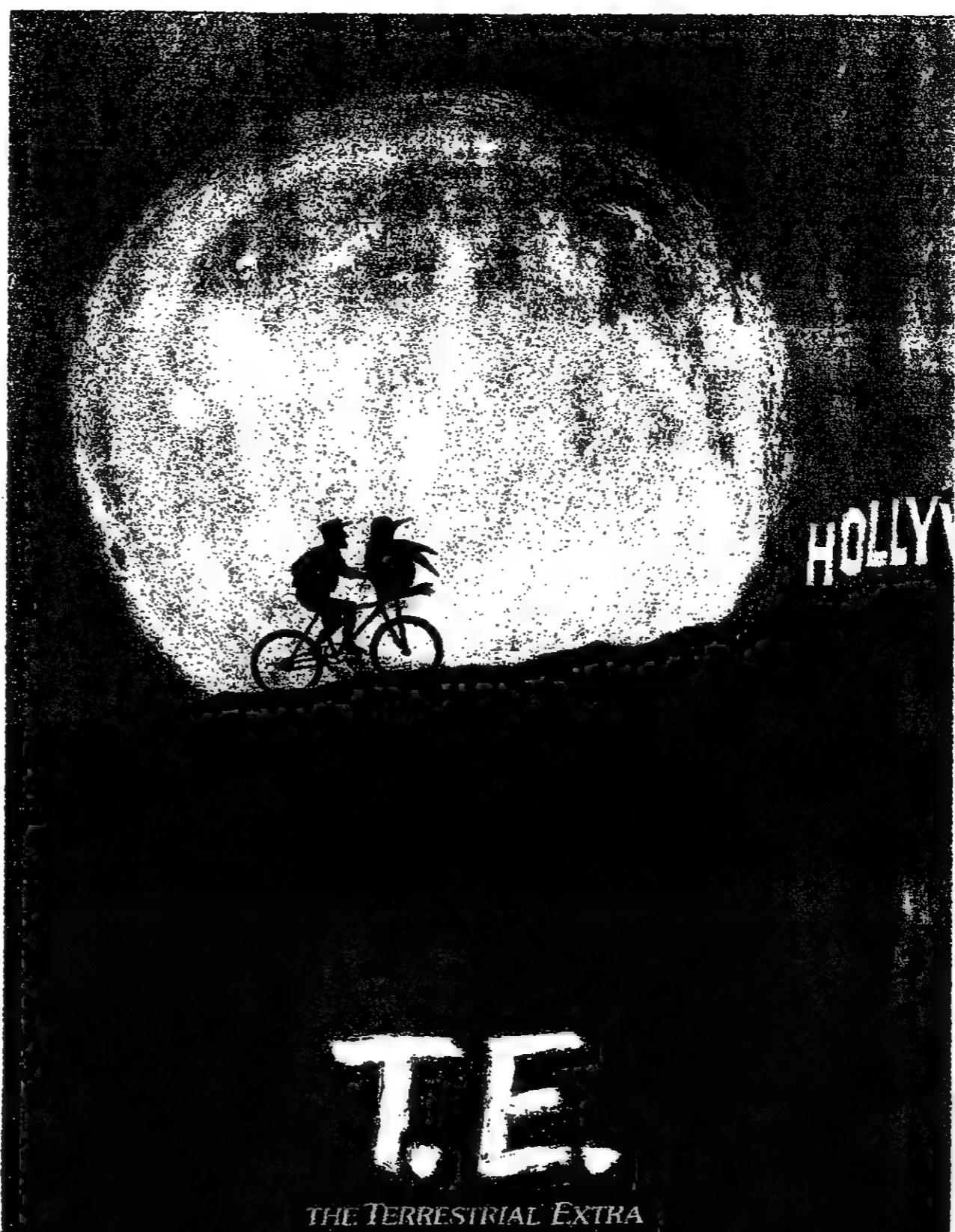
So if I shouted "Rhubarb, rhubarb!" or "What about he

workers?" in a crowd scene I would sextuple my fee?

"No, that's called an 'omnibus,'" says Joy. "That's general hubbub. To be a day player you must be singled out by the director. He must say, 'I'd like that guy to be a bartender or whatever and say this line.'

Knobbed by utterance, the bit actor instantly qualifies to join the Screen Actors Guild, assuming he can scrape together the alarming \$1,250 initiation fee. Is the next stop redundancy?

"Could be," says Joy. "Or he could be back with us the next



T.E.
THE TERRESTRIAL EXTRA

FORUM

week signing on for background work again."

Through Joy's open door I see what that entails. On the far side of a large outer office busily with apparatuses scrapping notes and shouting names is a glass partition. Beyond that mill the day's hopefuls. All colours, all sexes, all ages, they scribble their names in the register and then peer through the glass hoping to catch an eye.

This is feeding time for the Hollywood ego, and there is not much food about. Nor

much ego as the day wears on

and self-esteem is worn away.

Venturing behind the glass partition, I meet Bradley, a young black who has been

signing on for five years. "I drive 20 miles from South L.A. man, it's tough to get work. I haven't had a job here for three months. I don't know if it's me being black or what."

Daniel, another black, chips in: "You just gotta keep your face in their face."

Most of those I meet suffer

from what I identify as 'Extras' Syndrome. They claim to have

been in well-known movies but cannot name them.

"Or you're taping it?" says a jittery blonde whom I approach

in mid-signing. "My name? Oh, you gonna put this cut in

er, you gonna put this cut in

Hollywood? Oh Britain, okay,

Erica. Ya, I done features, commercials, TV." Any recent features? "Er, Ya." Pause. Such

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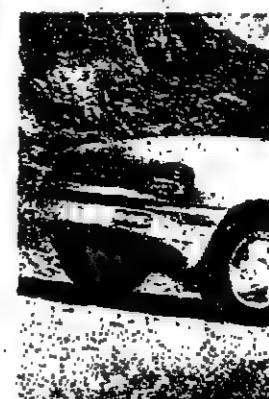
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Joe Rogaly

A self-help slogan for the 90s

How looking back a century can help us look to the future

quickly perceive the connection.

The election is due within

the next 11 months. The principal protagonists are already

behaving as if polling day

were tomorrow morning.

Britain's voters face a frustrating

choice. The incumbent

Conservatives deserve to lose.

New Labour, riding high in

the polls, does not deserve to

win. Tony Blair's unique sell-

ing proposition is a commitment

to constitutional reform,

but the more closely this is

inspected the less meaningful

it becomes.

The central flaw in Britain's

constitutional arrangement is

imbalance: the executive is too

powerful. There can be no

appeal to any written ground-

rules. Labour would not

change that; even its promised

Scottish parliament, now

revealed as a glorified local

council, would be dependent

for its continued existence on

the will of London's parlia-

ment - that is, whichever min-

istry commands a majority in

the lower house.

As Mr Blair intimates, any-

thing done north of the border

can be undone at Westminster.

A referendum would make it

more difficult for a future govern-

ment to abolish an Edinburgh assembly, but it would not

be impossible. This is acknowledged by the indepen-

dent Constitution Unit, which

published a thorough analysis of the proposals for Scottish devolution this week**.

The question is, does it matter? The prime minister has

called Mr Blair's schemes

"pointless fiddling". Natural

conservatives will agree; so

might genuine constitutional

reformers. The Anglo-Saxons

in Australia and on both sides of the Atlantic have

spawned policies whose logical

outcome is a withering-away

of the state, a capitalist nir-

vana in such circumstances a

devolved assembly here, a

wholly appointed upper house

there would hardly affect the

price of cheese.

Samuel Smiles' posthu-

mously concurs: "...the value

of legislation as an agent in

human advancement has usu-

ally been much over-estimat-

ed" he writes. "To constitute

the millionth part of a Legisla-

tive, by voting for one or two men once in three or

five years, however conscientiously this duty may be per-

formed, can exercise but little

active influence upon any man's life and character."

The temptation to damn all politicians and then forget them is strong, but 1½ centuries after Smiles is too late for that. Government is more important than it was in the 19th

century. The facility which

young people are... induced to

acquire knowledge, without

study and labour, is not education.

<p

PERSPECTIVES

The problem pages of teenage magazines and tabloid newspapers tell us that sexual relationships are full of conflict. But for the gory details of the war between the sexes we must look in a different type of publication, one whose readers' sensibilities are not so great as to prohibit the frank descriptions of the sordid facts about what is, after all, a natural phenomenon.

We will find what we are looking for, not on the newsagent's top shelf, but in the libraries of academic institutions. In recent months the scientific journals have carried reports of sexual arms race that has escalated to the point where chemical weapons are in routine use. They also provide an analysis of the problem in terms of a fundamental driving force of biology - the pressure to maximise the return on an investment.

The object of the investment in question is to preserve genes by passing them on to the next generation.

The Nature of Things / Andrew Derrington

How to breed a crop of sterile males

ation. Of course, sexual reproduction usually involves co-operation between male and female but there can also be a conflict of interests.

The problem is that the sexual partnership is unequal. The genetic return from successful reproduction is almost the same for male and female, but the size of the investment is very different. At the very least, the female's investment in producing the egg far outweighs the cost of producing the sperm that fertilises it, and in many species she also has to bear and rear the young.

Consequently, it pays a female to select her partner carefully and even to demand an increased investment from him in the form of a long-term commitment to rear

the offspring. It may also pay her secretly to cuckold him if a better male offers her the chance. Males on the other hand can increase the chance of a return on their tiny investment by repeating it as often as possible. They may also fight each other for access to individual females, or keep them in harness.

The bottom line is crucial in this enterprise. Unsuccessful investors are removed by the grim reaper. So natural selection may drive females to be fussy and demanding, and males to philander, to coerce, to build harems, or even to commit infanticide to improve their chances of reproducing. The set of strategies adopted by each species will depend on many factors. But some of the clearest

studies of sexual conflict have been carried out on insects, which also seem to use some of the dirtiest tricks.

Getting the chance to mate with females is not the only problem for males. They must also mate in a way which maximises their chance of fertilising her. This may be complicated if she has recently mated with somebody else. Geoff Parker of Liverpool University first described this problem, known as sperm competition, in the 1970s. Recently he has analysed it in some detail in the common yellow dungfly.

A male dungfly copulates with a female for long enough to flush out most of the sperm from her previous matings, and then stays with

her until she lays all her eggs, which are fertilised as they are laid. "The last male to mate gets 50 per cent of the eggs," says Parker. But an unlucky male may be displaced by a bigger rival, who will then attempt to do the same thing all over again.

"It's a wretched business for the female," says Parker who uses marginal value theorem (developed by economists) to predict how long males of different sizes should copulate to maximise the return on their investment. The optimal time depends on size because on the one hand bigger males transfer sperm faster, but on the other hand they get more takeovers. According to Parker, all except the smallest males copulate for the length of

time that the theory predicts.

Sperm is not the only important component of seminal fluid. Research with fruit flies shows that it contains a number of chemicals that affect the female in different ways, disabling the sperm of previous matings, making her less likely to re-mate with another male and increasing the number of eggs that she lays.

Not only do these extra components of seminal fluid work to the advantage of the male, they have the unfortunate side effect of killing the female. "It's one of the few chances that male fruit flies get to push females around, and they are rather good at it," says Linda Partridge of University College London.

Males and females influence each other's evolution, so eventually the female should develop defences against the male's dirty tricks. William Rice of the University of California at Santa Cruz, showed that if he stopped female fruit flies from evolving and allowed the males to continue to evolve, the effects of their seminal fluid on females increased.

This suggests that in normal populations there is a constant evolutionary arms race that maintains the status quo.

The chemical warfare tactics of the male could be turned against the species of fruit fly that cause damage to crops. Partridge is investigating the possibility of using genetic engineering to develop male flies that are not only sterile, but have semen that kills the females with whom they mate, as an advanced technique of pest control.

■ The author is professor of psychology at the University of Nottingham.



Amazon Nails team: Barbara Jones (left) and Gill Bell (right), with subcontractor Josie Taylor

Minding Your Own Business

Scaling the dizzy heights

Clive Fewins meets a woman whose roofing business is on the up

Running what she believes to be the only all-woman company of roofing contractors in the UK can be tough, says Barbara Jones. However she would not swap her job as director of Amazon Nails for any other.

"Until 1991, there was an all-woman roofing company in Nottingham, but now I believe Amazon Nails is the only one. This makes me feel I have a responsibility to other women in the building trades to be seen to be doing well. Any mistakes will be talked about," says Jones, 39.

After gaining a degree in social sciences, Jones had several jobs before returning as a carpenter in the early 1990s. She worked in London, where she set up a women's building cooperative, Hilda's Builders, in Hackney in 1994, before moving back to her native Yorkshire and starting Amazon Nails with fellow woman carpenter Lindsay Woodster, in 1995. They worked as sole traders but collaborated on all larger jobs until 1994, when Woodster left to pursue a different career.

Since then, Jones has continued as

a sole trader, specialising in roofing and employing other women as subcontractors. She works mainly in and around the West Yorkshire town of Todmorden, where she lives.

In April, Jones took on her first employee, Gill Bell, 25. "This year looks like being the best yet. Business is booming and I have work booked until next March," says Jones. "By the end of the year, contracts should total more than £27,000 - which is a lot for me."

Despite anticipating the highest turnover in the seven-year history of Amazon Nails, Jones is expecting, as usual, to make virtually no profit. "In the past, Amazon Nails has usually managed to break even," she says. "I have never made a loss because I do not like banks and I try to avoid borrowing from friends."

Generally, the low figures have not mattered because I have usually alternated periods of work with my many leisure activities and lived very frugally. As a single woman with no family commitments I have been able to do this."

"However, this year I have tried to put the business on a serious financial footing. This has tied in with employing Gill in April and the offer of several big contracts, one of which is worth in excess of £10,000."

Jones has felt it important to do this. At 26, she predicts that she has probably only 10 or so years left in the physically demanding world of the building trade.

She would like to take on another woman carpenter if this year goes as well as expected. But that depends on the figures. She has to pay Bell a full wage, although she is at college one day a week, plus course fees and a training allowance.

Jones also has to pay an extra £300

in public liability and other insurances now that she has an employee. "I see ourselves as role models and I should like Amazon Nails to expand, as I know we have all the skills needed for a successful all-woman company," she says.

"However, I have to put this alongside the many pressures of running the business. I insist on being on site whenever work is going on, supervising Gill and the two or three other women subbies."

Jones says she would employ male labour only if she had a big job and could not find enough women carpenters. She admits this could happen, as she estimates there are only about 100 women carpenters at work in the UK.

"Really, my heart is in training women to be carpenters. There are a lot of stories about needing to be strong if you work on a building site, but essentially lifting is all about balance, leverage and good use of pulleys."

"At present, nobody is really encouraging women to train in the building trades. Most grants for college courses stop at the age of 18. This discriminates against women because they usually take several more years than this to gain the courage to train for work of this sort, which is considered non-traditional for women."

When doing her City and Guilds certificate in 1987, Jones won the award for best student on her course.

Although less physically strong than men, she believes that women can make equally good carpenters.

Compared with men, women in the trades are frequently more meticulous in their work and more concerned

with quality rather than financial gain," she says. "Often they work better together, and they are more safety conscious than men."

Apart from her desire to see it made easier for women to gain work in the building trade, Jones sticks to her policy of employing only women because, in London, she became exasperated with the level of what she calls "sexual harassment".

"People here in Yorkshire have a different attitude," she says. "They see the Amazon Nails sign outside a building site, look up and say us on the roof, and shout 'good on you, lass'.

In London, there was far more of the sexual stuff than the appreciation.

"Our visibility up on the roof is very important to us. It gets us talked about and it brings in business. It can be tough working as a woman carpenter on roofs in all weather, but I find the physical work the easiest part of the job. All the other aspects of running the business, especially the estimating, are harder."

■ Amazon Nails, 554 Burnley Road, Todmorden, Lancs OL14 8JF (tel: 01706 814636).

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Says Joy: "It's the same cry

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PERSPECTIVES

A tale of intrigue to rival Treasure Island

A map showing America, and purportedly drawn 50 years before Columbus's voyages, has raised fierce debate. Richard Cannell tells the story

Maps that lead to adventures are magical. The maps that mark the site of hidden treasure in *Treasure Island*, or that lead Sir Henry Curtis and his chums into the exploits and ordeals of King Solomon's Mines, are more potent, more powerful than their humble appearance suggests.

So it is with the Vinland Map, a ragged piece of parchment with wormholes and ancient crease marks that hint at its own secret story, one that may never fully be told because there is no one left to tell it.

The Vinland Map of the world shows an uncannily accurate Greenland, Iceland and a large island with recognisable features in the north-west Atlantic named Vinland – what we know as North America – and the hidden treasure.

Yet, this map purportedly dates from about 1440, half a century before Columbus made his famous voyage.

If it is genuine it represents the first cartographic evidence of America, presumably taken from Viking sources and tells us that our medieval forefathers had a greater knowledge of the world than we had imagined.

This revelation was disclosed on October 11 1985, the day before Columbus Day. It immediately provoked a media outpouring and, reportedly, rioting among Italians in New York. In academic circles, the Vinland Map launched a dispute that continues today.

Simply, this revolves around the question: "Is the map an authentic pre-Columbus map of America, or is it one of the cleverest and most controversial forgeries that have appeared this century?"

Where it had appeared from, no one could say. In 1987, an Italian bookseller from Barcelona showed it to antique booksellers in Geneva, London and Paris on behalf of an anonymous client. It was bound with another important historical document, the *Tartar Relation* – an account of a papal mission to the court of the Mongol empire by Friar John de Plano Carpini in 1245.

The binding had been carried out in relatively recent times – perhaps the turn of the century – and on the back of the map, in poor Latin, was an obscure allusion to the "Speculum", a reference that had no apparent meaning.

Through a London bookseller, the map arrived at the British Museum, with R.A. Skelton and George Painter, curators of the map room and assistant keeper of printed books, respectively. They tentatively dated the map, on the basis of the paper, the handwriting and the accompanying *Tartar Relation*, to

about 1440. However, they had doubts. They were suspicious of the modern binding, the questionable Latin, the mysterious references to the "Speculum" and the fact that both documents had wormholes which did not match, suggesting that the documents did not belong together.

Consequently, the map was returned to the Italian dealer.

Eventually, the map was bought in Geneva for \$3,500 by Laurence Witten, an American bookseller who believed it to be medieval. He was later told by an eminent American librarian: "Mr. Witten, I think you've got the greatest bargain in all the world."

Witten showed it to Thomas Marston and Alexander Viator, experts at Yale University, who recognised the potential importance of the document. It was, said Marston, "of so arresting a character as to prompt scepticism, if not incredulity", but like the British Museum they were not totally convinced of its authenticity. Viator said: "It looked right to us, it smelled right... but there were two disturbing features."

These were the relatively modern binding and the wormholes that did not match. The wormholes "made us feel that the two pieces did not belong together, and we did not quite know the reason". Yale did not buy the map but arranged with Witten that, should he sell it, Yale would have first refusal.

There, the map's story may have ended, quietly tucked away and forgotten in a private library – but for a rare stroke of serendipity.

Marston ordered from the catalogue of the same London antiquarian bookseller, a fragment of a 15th century copy of a 13th century document entitled *Speculum Historiale*. He showed this to Witten who made the incredible discovery that, like a missing jigsaw piece, the *Speculum*'s various wormholes physically matched those both in the Vinland Map and the *Tartar Relation*. Thus was reunited a collection that had clearly once been bound together – strong evidence for a 15th century origin of the map.

Yale now wanted to buy the documents but found that they had, unsurprisingly, gone up in price and that they could no longer afford them. Fortunately, an anonymous millionaire philanthropist bought all three for about \$100,000 and gave them to the university library. Six years of detailed study by a team from Yale and the British Museum followed. Convincing that the map was a forgery. The ink contained crystals of titanium dioxide in a form that could not, according to McCrone, have been produced earlier than about 1920 as the crystals are the result of a reaction carried out at high temperature – 800°C to 1,000°C – conditions not achievable in the 15th century. It was this scientific evidence that dealt the mortal blow.

There were many other reasons for doubt: the unique medieval ink; a small part of the English coastline where the ink and its underlying stain appeared not to match, suggesting to some that a forger had made a mistake; the uncanny accuracy of Greenland.

Under the total weight of these

question marks, Yale resigned itself to announcing in 1974 that the Vinland Map was a fake. With a touch of humour, Walter McCrone likened the probability of finding this crystal form in a medieval ink to the fact that "Nelson's flagship at Trafalgar was a霍vercraft".

While humanist scholarship could raise doubts and generate debate that could run and run, scientific evidence appeared incontrovertible. Consequently, most early believers

Painter's preface is a stinging attack on the map's critics and demolishes arguments put by opponents

had been hidden, were found to match exactly those in the Vinland Map. It certainly seems remarkable that such a serendipitous discovery was contrived by a forger decades before.

Californian research also found numerous other elements such as might be found in crude medieval inks. Painter makes his riposte to the analogy drawn by McCrone by saying that, "having found supposed evidence that Nelson sailed on a霍vercraft, McCrone deduced that Trafalgar could not have occurred before the 20th century".

Painter has rebutted these claims, saying that the Pike techniques are inappropriate and that the two sets of measurements are not directly comparable. McCrone wrote: "There is substantial disagreement between McCrone Associates and the University of California, Davis. They report much less titanium in their samples than we find in the ink itself."

So after three decades, do we yet know whether the map is authentic, or not? Some are still convinced it is a forgery while Yale University Press was sufficiently confident in the map's renewed credibility to mark the 30th anniversary of the original revelation by publishing a new edition of *The Vinland Map and Tartar Relation*.

This contains new arguments and a new preface by George Painter, the only surviving author and probably the only person who has steadfastly stood by his belief in the medieval origins of the map. This preface is a stinging attack on the map's critics and demolishes many of the arguments that have been previously available. Pike – particle-induced X-ray emission.

The main piece of damning evidence is that the ink contains a modern artefact. Painter points out that the very high temperatures required to produce titanium dioxide crystals of the modern type, and which are "inconceivable as a 15th century process", were in fact often reached by medieval chemists. Ironically, there is even evidence for this from the archaeological re-

mainds of the Viking settlements in Newfoundland where the charcoal-fuelled smithy has been estimated to reach temperatures of up to 1,200°C.

Ultimately, of course, both scientific and historical research depend on human interpretation. In the preface, Painter writes of the forgery theory: "Humanism appealed in its own bankruptcy to science which gave the right answer to the wrong questions." Forgery advocates, on the other hand, would say that humanism led to scientific proof of a fake.

Unlike many academic debates, this one has a clear answer. The map is either authentic, or it is not. With the book's re-publication, the consensus seems to have moved to a rehabilitation of the map.

Even more exciting is investigative work yet to be fully published into the map's history. This suggests a provenance for the map that dates back to the 15th century and even involves the descendants of Columbus, leading to the real possibility that the famous explorer saw the map.

Knowledge of Vinland may have been fairly widespread among seafarers around this time. Columbus, of course, was not interested in discovering America – or Vinland. He set off to discover a route to the East Indies. Meanwhile, the Vinland Map's own Viking saga through recent, or not so recent times, continues.

But just as science and humanism combined to cripple the map's reputation, so have they since joined in its restoration. In 1988, the controversy that had never gone away was reignited by a team at the University of California who re-analysed the map ink using a technique not previously available, Pike – particle-induced X-ray emission.

They came to a very different conclusion from McCrone. They found much less titanium and, as only one of a multitude of minor elements in the ink, it could not account for the colour. So, far from playing a leading role in a modern ink, they concluded that the titanium dioxide makes just a cameo appearance as a minor contaminant in a genuine

renaissance of their faith.

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FASHION

Dangerous liaisons between pregnancy and clothing

Shop carefully, says Jane Mulvagh, and you can retain your individuality

The Madonna del Parto" of Piero della Francesca and Jan van Eyck's "Arnolfini Marriage" are two of the most iconic depictions of the allure of expectant motherhood in the canons of western art.

How can we replicate the joyous, colourful and celebratory quality of clothing worn by these two mothers today? What to wear when you are pregnant? It is an eternal problem for the modern woman who finds herself surrounded by speciality shops but can only find practical compromise and nothing that sends her heart racing.

Why is it that most high street retailers presume that pregnancy causes women to want to join the army of mumsy matrons? Why should they want to retire into the nanny-like busts of navy or blank?

Then there are those finicky cardboard-beige floral sprigs on a flat navy-blue ground, reminiscent of an old Laura Ashley frock rinsed in workman's tea.

Avoid "widow" weeds - black, navy, sand and khaki - and opt for triumphal colour. But keep to that one colour and banish those fearfully exuberant, clashing Hawaiian prints that seem to work on the sofa principle: the bigger the bulk to cover the larger and more garish the flowers should be.

What the outfits selected here have in common is that each is based on designs that preceded the first world war long before fashion designers espoused the androgynous look of the adolescent boy. They are derived from times when society delighted in voluptuous, fecund women and championed the shapely difference between the sexes. Both the artist's and couturier's craft paid tribute to your complexion of tissue, rather than suppressing or disguising it.

If you are the kind of mother-to-be who will boast that she produced her child having gained only 1½ stone (9kgs), then you need read no further. I am addressing the many women who, by their sixth or seventh month, are carrying two or three extra stones of weight and trying to cope with a hot summer.

Some do this by resorting to camouflage tactics. But why not flaunt your condition in celebratory joy? Most high street retailers seem to assume that you have undergone a "taste-ectomy" as soon as you conceive and that any aspiration to flair or individuality has been cut out of you - that style and pregnancy are mutually exclusive.

On most of my visits to such places I just stood and marvelled that women would pay good money for these offerings of ugly purdah or cute girlie rags. The bow 'n' bunny knicker with "Lady in Waiting" primed along the elastic waistband had me laughing in disbelief. Well, save your feet this summer. Forget the maternity wear departments, forget those well-known shopping mall specialists and select from non-maternity wear. Yes, you can keep your charm and idiosyncrasy.

The golden rules are proportion and simplicity expressed in monochrome, not pattern. The body needs as much streamlining help as you can muster, so do not splice your torso into layered sections with trousers, blouses and cardigans. Opt for the single-colour dress.

Strangely, many maternity dresses feature a dropped waist

which not only throws into relief the least flattering area of your body - with a whacking great seam across the belly - but also detracts from your best asset, a Dangerous Liaison décolletage.

The answer is the princess line. Choose a dress that cleaves to your bosoms above a high waist and then falls from the upper rib cage in controlled fullness.

Focus all decorative attention around the head and poitrine, for your complexion has never looked better. A pirate's booty of pearls or glass beads hung around your neck will keep all eyes above your waistline.

If the weather is cool, instead of layering on unfaltering jerseys and hide-all jackets, choose a neat thermal vest under the dress or toss a magnificently coloured wool shawl around your shoulders.

Cyclamen, vermillion, saffron, rose, or indigo shawls can be found in the Indian boutiques along Brick Lane in Spitalfields or Southall High Street for about £12.

I propose four finds for the summer - all dresses. For everyday wear, the pure cotton kurta from Egg at £112 is romantic, practical and affordable. The high-waisted dress fastening to one side along the



shoulder is a copy of the traditional robe worn by Rajasthani milkmen. It is tied with cotton ribbons at a high waist, where it is gathered into several hundred tiny tucks and from where it falls generously to the mid-calf.

It is blissfully comfortable. Asha Sarabhai, the proprietor of Egg who has collaborated with Issey Miyake for many years, has dyed these crisp, light cotton dresses in a myriad of happy colours, such as lilac, Cadillac-pink, peony-pink or orchid-red. The sleeves are long so a sensible belt can be hidden and, since the dresses

are front-opening, you can easily nurse your child after it arrives.

For smarter occasions I would recommend Vivienne Westwood's "Watteau" dress at £225. Cut from a bold gingham tablecloth, the dress features a wide, flying panel that falls free from the shoulder blades (a fashion captured by the French painter Jean Antoine Watteau in the 1700s). This covers a multitude of sins to the rear. Glorifying in your décolleté, of Comtesse du Barry proportions, the neckline is cut to a Louis XV-pleasing depth from a stand-up collar (reminiscent of the kind worn by the debonair gentlemen painted by Jean-Auguste Ingres). Pretty amber buttons close the front from cleavage to mid-calf, again allowing easy access when needed. Once your figure is restored, replace the cloth belt and you will still enjoy the charms of this dress.

The third find is a summer coat, easily converted into a dress, from Voyage, 115 Fulham Road, London SW3 6KL (0171-223 9581). Flowing from a high yoke, it is cut in either crisp cotton piqué for £265 or silk for £365.

This dress is reversible: one side is trimmed along the front-fastening edges, sleeves

and collar with contrasting velvet ribbon, the other is plain. Two satchel-like pockets on the hips lend it the air of an artist's smock. Azure-blue, peridot-green, shell-pink and a Medici brocade are the prettiest options.

In summer you will be loath to submit to the discomfort of tailored evening wear which will give the appearance of an over-stuffed, tightly upholstered sofa.

Many maternity dresses feature a dropped waist with a whacking great seam across the belly

stered piece of Victorian furniture. Neither do you want to resort to the slatternly informality of hippie wear.

As a compromise between propriety and comfort I would suggest investing around £1,000 in a Charles and Patricia Lester creation. Their accord-

ion-pleated silk evening wear

pays homage to the Spanish

follower of the Rational Dress Movement, Mario Fortuny. The permanent pleating of their Delphos gowns is so robust that once you spring back into shape you will still want to wear these Grecian classics. Typically, they fall from a flaking empire waistline.

Most obstetricians will re-

commend that you consistently

wear support tights but you

can avoid those tannin-col-

oured micro-mesh varieties,

described as "American tan".

as if anyone would aspire to

that lurid, out-of-a-bottle

look.

If, on the odd occasion, you

want a finer denier, go for Daniel Bourdin's comfortable and chic hosiery from 7 to 15 denier (£7-£12). He also pro-

vides a good, deep opaque

tight. It is reassuring to know

that he only offers black, navy

and natural.

Leggings have become the

modern-day equivalent of the

housecoat or peignoir. It is per-

fectly understandable that at

home they are practical and

that for many women one of

their proudest assets - as the

centre of their body expands -

is a great pair of legs.

But the rear end of only one

in a hundred women looks any

good in a pair of these unfor-

giving items and there is some-

thing faintly ludicrous about

wearing sports clothing when

you can hardly walk, never

mind sprint, down the street.

Furthermore, do you really

want to look like every soap-

star mum who seems to have

failed to get round to dressing

this morning?

For the final alluring

touches of femininity, keep

cool with a white feather fan

held with an imperial red

wooden handle from Chinat-

own for £25; and for a Flem-

ish touch, fasten a Hans Mem-

ling-style collar in crisp white

antique lace across your shoul-

ders. These can be found in

secondhand clothes stores,

antique costume specialists

and church bazaars for be-

tween £15 and £40. Once you

have tired of it, sew it on to the

christening robe or your

child's best party dress.

Wearing your bold state-

ment of celebration, not in humili-

ating disguise or faux-girlish-

ness, I guarantee that every

time you board a crowded bus

you will be offered a seat and

that even when it's pouring

with rain on a rush-hour even-

ing, you will be given the first

empty taxi. Admirers will step

aside in appreciative respect

for a mother-to-be.



□ Far left: Pleated silk dress, from £1,000, by Charles and Patricia Lester, available from Harrods of Knightsbridge (0171-730 1234) and Liberty of Regent Street (0171-734 1234)

□ Left: Navy blue plissé dress in viscose/rayon, £225, by Vivienne Westwood, 6 Davies Street, London W1 (0171-429 3757)

□ Right: Peony pink cotton Rajasthani milkmen coat, £112, from Egg, 36 Kensington Street, London SW1 (0171-235 9315)

□ Daniel Bourdin hosiery is available from Formes, 38 Brook Street, London W1 (0171-633 2783)

Drawings by Julie Verhoeven

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Jan van Eyck's "Arnolfini Marriage": iconic depiction of the allure of the expectant mother
Bruges Art Library

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HOW TO SPEND IT

Nothing more chic than a battered panama

The famous hats from Ecuador justify their reputation, says Lucia van der Post

On a hot summer's day, there is no hat more perfectly judged, more utterly appropriate for an Englishman than a panama. Its status in the fashion stakes only varies slightly; it is never so "in" as to be featured on the heads of the prettiest ladies at Ascot, and never so "out" as to disappear entirely.

It holds an enviable position in the pantheon of classic headgear. Worn by many a distinguished figure from Napoleon III and Edward VII to Roosevelt and Churchill, Gary Cooper and Orson Welles, in the world of straw hats it has no equal.

Panamas are an authentic, effortlessly chic, ethnic dress, which can be worn as stylishly by the peasant toiling in the fields as by the statesman at an international summit. Neither needs to be told that the panama should be worn slightly limp and casually tilted over the face. It should never look too formal.

Most of us know by now that proper panamas, those made from the finest fibres of the jipijapa plant, come confusingly from Ecuador. Only the split leaves of the jipijapa can give the hat the sturdiness and resilience that are part of the charm of a true panama.

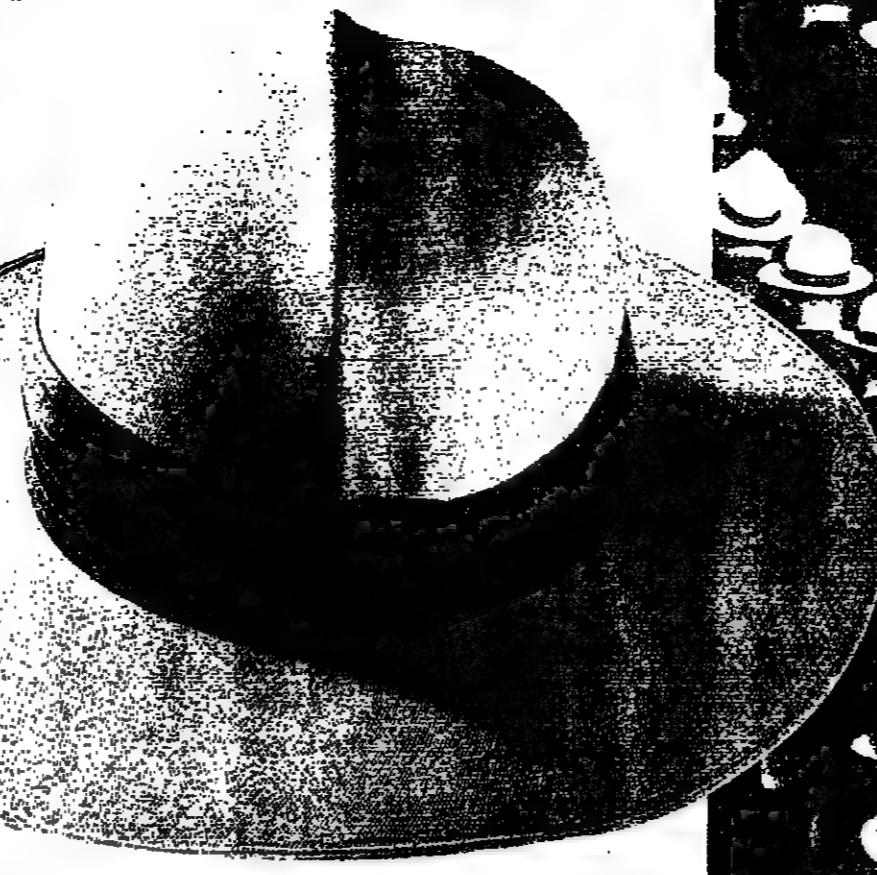
You can tell an authentic panama because it has a ridge over the centre of the crown and a 5cm brim but, above all, you can tell it because it has a stamp inside indicating that it does indeed come from Ecuador. It can be folded along its crown, packed almost flat, and emerge looking as fresh as when it left its native shores - of Ecuador. The hats were called panamas after they came to wider notice when worn with a swagger by the gold diggers of the Panama Canal in 1881.

Nevertheless, panamas can vary greatly in quality - the fibre chosen, the expertise of the weaver and the time spent creating it, all affect the finished quality. Making a fine panama is, according to a beautiful book* on the subject, generally a dying art but it is still alive and well in the small village of Montecristi. It is generally agreed that the finest of the fine panamas originate from here. The weaving of the split jipijapa leaves is a matter of family pride and whole families depend upon this age-old craft for a living.

It takes at least three months to make a "Montecristi" of the sort that the Paris firm of Montecristi sells today. But old Ecuadorians recall the days when some of the finest weavers would take eight months to turn out the most incredible of panamas, a "fino-fino".



An authentic Montecristi panama has legendary suppleness (left). 'Montecristi sportivo' colonial style (right) the Australasia delegation at the 1964 Olympic Games march under their panamas



seives. In most department stores you would probably find a panama of sorts for as little as £50 for a roughish straw.

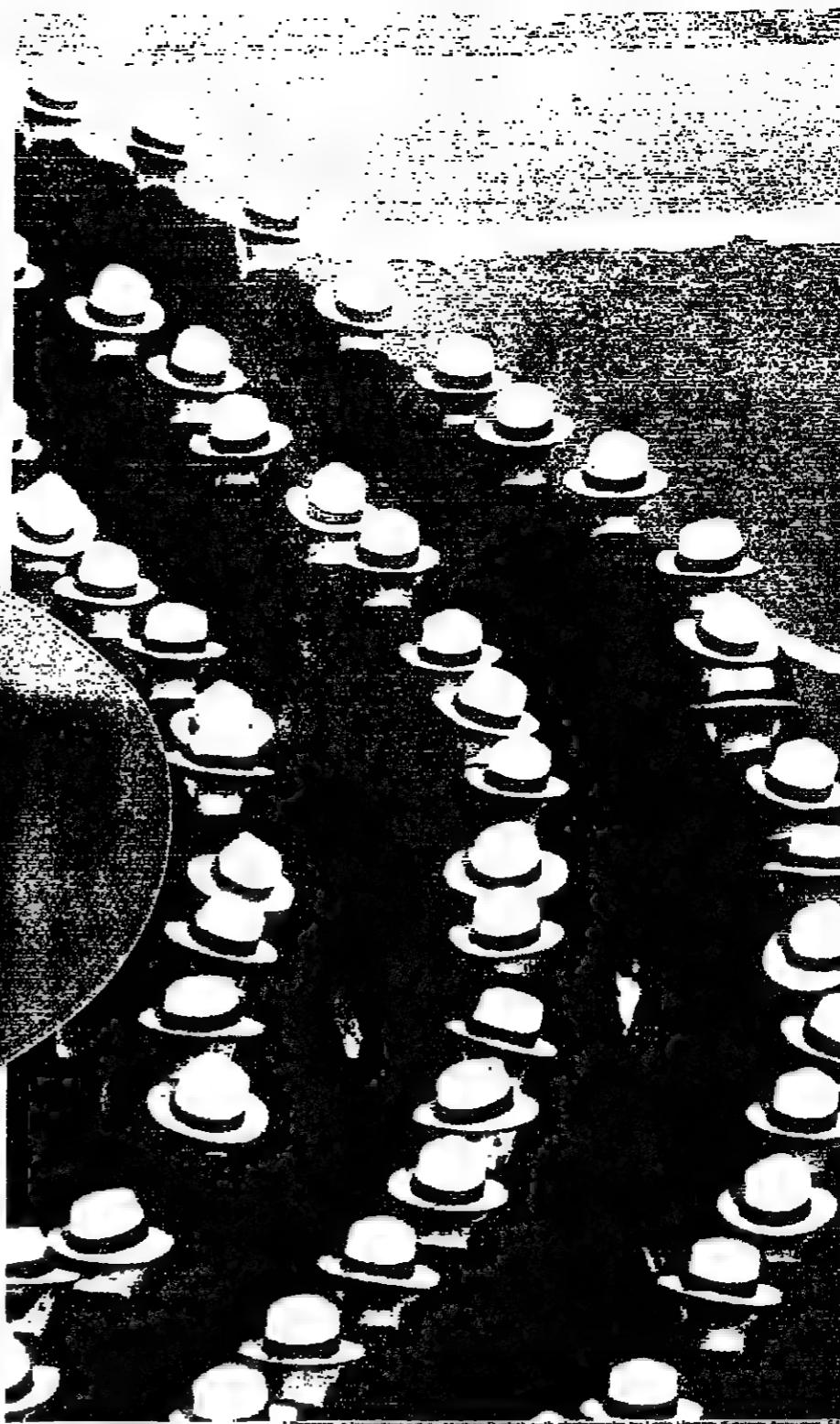
Dickins & Jones of 244 Regent Street, London W1, and the well-known Parisian milliner Panama Montecristi, are holding an exhibition of some of the finest of their hats on the ground floor of the store until the end of August. There are about 40 different models, ranging from the most traditional, the "Colonial" and "Borsalino 30" - to the "Bo-

saline Dandy", the "Gabin" (melon shape), the "Millo" (melon shape) and the completely rounded "petit Breton", the wide-brimmed Esmeralda.

A classic Panama which could be worn by women or men is £70. Enchantingly rimmed versions suitable for weddings, Ascot or garden parties range from £200 to £300, and there are just two supermodels left at £700 each. There will also be a good selection of children's hats on display.

The best, most classic finish to a Montecristi panama is a plain black band. If that seems a little funeral do not be tempted into anything fancier than a band of navy grosgrain. And remember, too, that if the price of the Montecristi seems daunting there is always one consolation - the true panama hat lasts almost forever.

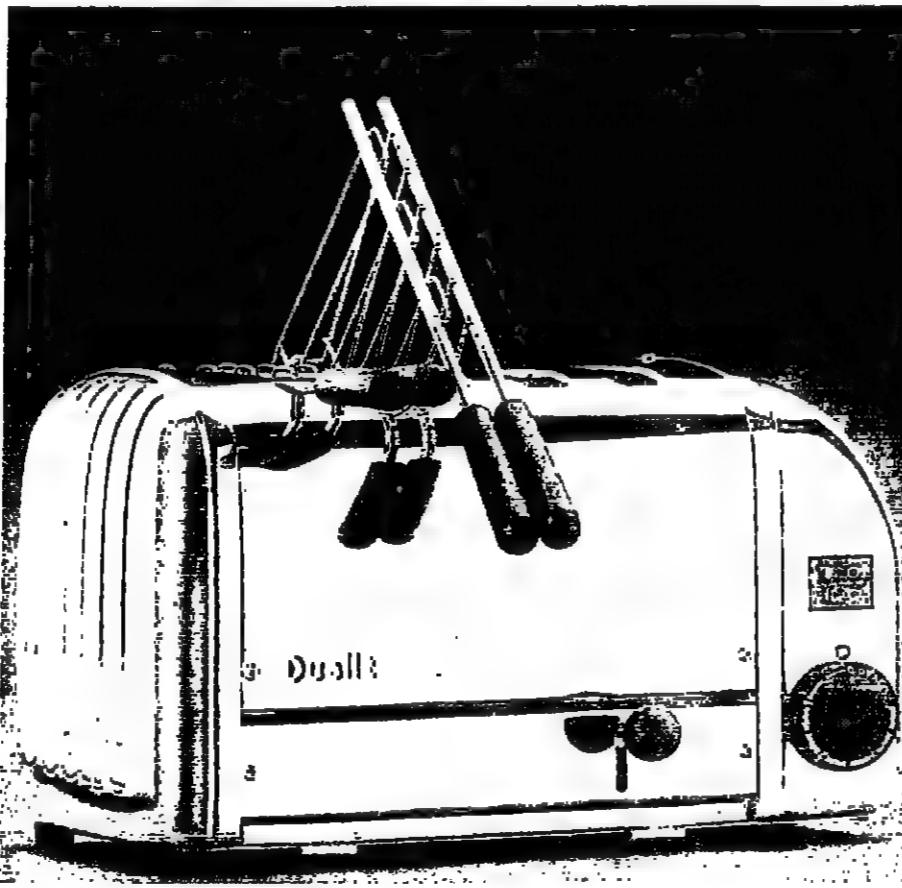
They can be washed, folded, crumpled, packed and still they emerge forever wearable. There are some who believe that there is nothing so chic as an old and battered panama.



Panama, a legendary hat by Mariano Butcher, with photographs by Leslie Henson (Estates Gazette), 540

*There are isn't places to buy panamas and many qualities to chose from. Most department stores with a good hat section or a panama or three. At Heriot Johnson, of 30 New Bond Street, London W1, you could afford as little as £35 for the roughest straw panama, £110 on what it calls a basic Monte Cristi panama, or £250 for one better quality. The finest quality, a Super Fino Monte Cristi Folding Trilby Panam is so supple it can be rolled up to a cone slim enough to push through a napkin ring, costs £75.

Women's panamas range from £80 to £120, although there is nothing to prevent women splashing out on the finest Monte Cristi for them-



The Dualit toaster does heavy-duty work: don't get browned off if you need a lot of toast

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A slice of the action

Anybody who follows the quirky tastes of the designer set will know that there is only one toaster to have and that is the Dualit. It is odd that it has come to seem so modish for it was designed and produced some 50 years ago by Max Gert-Barten, who arrived in England after studying engineering on the continent and working in radio intelligence and aircraft production.

His company started off by designing element electric fires with reflectors and then produced the first commercial toaster in the UK. Dualit is still a family business, still based in south London.

Although the Dualit toasters

seemed to spend years in the design wilderness, appreciated only by those with commercial kitchens to run or with a slightly arcane interest in industrial products, it first became the darling of the matt-black designer set in the late 1980s.

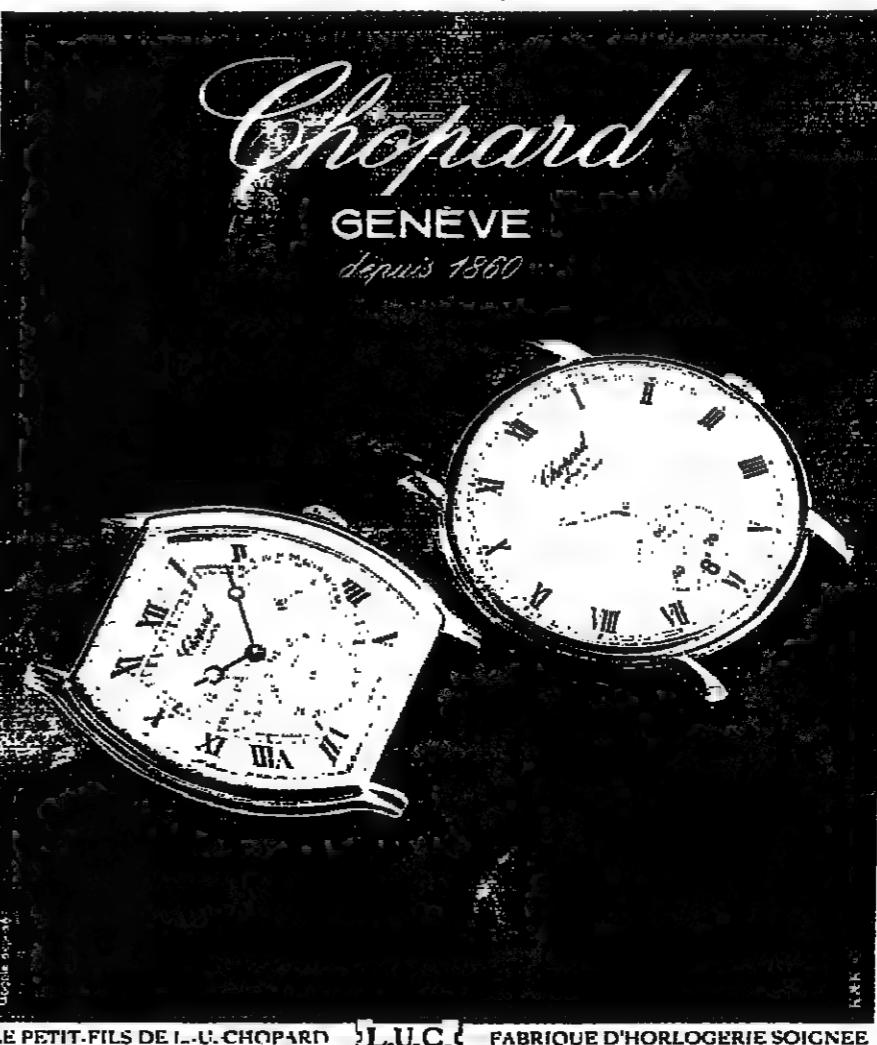
Like most products which develop a cult following there is a sound reason - it looks sturdy, it's polished chrome casing speaking of its practical role. It toasts the bread evenly and well, since it has a special heating element not found on domestic toasters. They are still hand-made and while to my mind the plain chrome is the most appealing, there are other colours (canary yellow, cobalt blue, mint green, utility

cream, black and white).

The most popular of the Dualit range are the plain two-, four- or six-slice bread toasters - they come with splendid testimony to the number of slices per hour (should you need 800 in record time). Very popular, too, is the sandwich-toaster which also toasts waffles, bagels, toasts and crumpets.

A bigger version of the sandwich-toaster has been launched just in time for the school holidays. It can toast 60 slices of toast and 40 sandwiches an hour. The existing version sells for about £125, and the newer one for £215 from good kitchen departments.

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JULIA VAN DER POST

SPORT

Cycling

Indurain hopes to join the 'greats'

Huw Richards considers the start of the Tour de France

Singing Indurain was the nickname bestowed by cycling's English-speaking punsters, following the precedent inflicted on rugby league player "Charlots" Offiah. Today, when *Tour de France* rivals contemplate Miguel Indurain, they must feel more like screaming.

His dominance is unprecedented in the 93-year history of the world's greatest cycle race.

The *Giro d'Italia* may be tougher but the *Tour* - like Wimbledon and golf's Open - is the oldest and best, attracting the strongest fields and vast audiences. An estimated 15m or one-third of France, will watch from the roadside.

To historians Richard Holt and J.A. Mangan, the *Tour* is indisputably heroic and, in a sense, has come to define the very idea of the hero in Europe.

It takes extraordinary men to complete the race. Its physical demands have been likened to running a marathon every day for a month. The importance of every single rider is acknowledged by the tradition that the winner's prize-money is divided between his eight team-mates.

Other opportunities will make Indurain rich anyway. Tour wins - even potential winners - are a rare breed.

Perhaps a dozen of nearly 200 riders who assemble next Saturday in the Dutch town of 's-Hertogenbosch - there are few years when the race does not cross borders - will entertain serious hopes of topping the podium in Paris on July 21.

Most are cycling's Poor Bloody Infantry, devoted to supporting team leaders. Specialist sprinters may win most stages, but have no chance in the decisive phases - mountains and time-trials.

This is where minutes, and Tours, are won and lost. Even these favour different physical types. The best climbers, like Italian Marco Pantani - capable of speeding up Alpine roads so steep that, as one writer put it, "the car seems to defy gravity by sticking to the road" - are generally small and wiry. Masters of the French connoisseur term *coure à la montagne* tend to be heavier and more powerful.

A Tour winner must be master of one and among the best in the other, a combination so rare that only 11 have won since 1969 - six going on to repeat victories. Three other riders share Indurain's record



In the mountains: Indurain in the Alps during last summer's Tour

Soccer

Power and the glory

Peter Aspden looks back on the European Championships

players like Elts, strong, fit, irrepressible, have produced the authoritative performances for their sides.

For a while, however, the fortunes of Euro 96 were in the balance. The second weekend, in particular, showed every sign of a tournament taking off after a customarily sluggish start. Paul Gascoigne's seemingly peerless goal against Scotland was followed the very next day by two more contenders for goal of the month. Jürgen Klinsmann's sparkling turn and finish against Russia and Davor Šuker's audacious chip against the "unbeatable" Peter Schmeichel lifted the spirits of any football-lover. Here were moments of world-class technique, expressed at the highest level of competition.

Now, three weeks later, it is sad to conclude that the equalisation of Europe's football sides has had a devastating, rather than a liberating effect. Teams are indeed evenly matched; but above all in the destructive arts of the game and the strategic subtlety required to stop the truly gifted footballers from imposing their authority.

Two weeks ago I wrote that Dieter Elts, the German defensive maestro, was a crucial player for his side, although he would win no accolades.

I was wrong. It was instead the Gianfranco Zola, the Rui Costa, the Zinedine Zidane who slithered out of the tournament anonymously, while

to come. Then, the next day, came Germany's ugly encounter with an over-hyped Croatia side; another moment of rare finesse, as Suker deftly dragged the ball past Andreas Köpke as if he were rolling an egg away from a baby's reach, was cancelled out by a series of malicious incidents involving players from both sides.

And finally, on to Portugal's

England's defeat by Germany on Wednesday night was, as expected, the highlight of the tournament

bizarre display against those doughy Czechs, in which the Germans (most of all by themselves) team of supremely gifted passers put on a half-hour display of gorgeous, quick-tempoed possession football but actually forgot that dragging defenders all over the pitch is all very well, as long as someone makes the odd amble into the penalty area.

This game, at least, was

decided by another moment of high quality, but it was cruel on the Portuguese that Karel Poborský's scoop-chip was only made possible by the kindest of ricochets off the defenders who surrounded him.

Until then, the Czechs had barely threatened to cross the half-way line. It should be remembered that events in normal time can be every bit as heart-breaking as the climax of a penalty shoot-out.

If the quarter-finals were disappointing, the first semi-final between France and the Czech Republic was scarcely a role model for the beautiful game. France, like Spain, had decided to sacrifice flair for a more practical, solid approach; but the latter was duly hit by those arch pragmatists, the Czechs.

Poor Yori Djorkaeff, who worked so hard to create something, only to come against waves of defenders blocking his path. He was given scant support by the over-rated Zidane and the team's niggardly approach to attack generally.

England's defeat by Germany on Wednesday night was, as expected, the dramatic highlight of the tournament. If some of the football was not of the very highest quality, here at least were two sides which were prepared to try to win, particularly in an absorbing extra-time period which made nonsense of the anticipated Golden Goal fast syndrome.

Like Djorkaeff for France, Darren Anderton was a couple of inches away from putting England through to the final when he hit the woodwork after a well-conducted attack.

But the margins of success have always been thrillingly small at this level. England were unlucky losers, but Germany were worthy winners.

English euphoria, which took off after the display of the tournament against Holland, was once more vindicated.

Terry Venables's side added

intelligence, movement and variety to the virtues of hard work and determination which were never doubted. Indeed, one might begin to talk of a uniquely English style of football, that, for once, does not appear to lag several light years behind the rest of the world.

It relies as ever on a powerful central strike - and what a marvellous competition Alan Shearer has had - but it is allied with a fluidity in midfield, and a variation of long and short passing which was an occasion a joy to watch. Shearer, along with Paul Ince, Gascoigne and David Seaman, would demand inclusion in any pan-European side; and they were never let down by their less talented colleagues.

It is this, rather than guttural refereeing, which is responsible for the endless procession of yellow cards and cruel suspensions which so often mar the entertainment offered in these championships.

The game's administrators, under fire for penalty shoot-outs, weak officiating and the innocuous innovation of the golden goal rule, now need to do some counter-striking of their own.

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OUTDOORS

Motoring

A 4x4 for the young at heart

Is Suzuki's X-90 in the 007 or the Bond mould? Stuart Marshall reports

My first experience of fun cars for the young was chaste. "This," declared Ray Wiggin, then managing director of Reliant, "is the car for those who are too young to be square."

He was standing in the Orangery of Woburn Abbey and pointing at a three-wheeled machine looking like a giant jodhpur boot on castors. "Try it," said Wiggin, speaking at the press launch of the Bond Bug. "You'll see what I mean."

I did. The definitive fun car of the day was still the Mini. Assuming he meant the bright orange Bug would go like one, I put it into a left hander in front of the big house at all of 25mph 40kph. The Reliant

employee sitting alongside me just had time to exclaim: "Remember, sir, it's only got three wheeeeeeels..." And there we were, rolling like a labrador pup on the Duke of Bedford's lawn.

It was a comprehensive capsize. As the Bond Bug tipped onto its roof, sundry small pieces like wing mirrors and door handles flew off. It continued to roll. A second or two later, it had fallen back on its wheels. Experimentally, I turned the ignition key. The engine coughed and then caught. So I drove off, convulsed with laughter. The man from Reliant rubbed a bruised knee and confided: "That's the second time it's happened to me this week."

There is, I understand, a Bond Bug enthusiasts club. Its members must be masochists

must make cars with only three wheels, there should be two at the front and one at the back. Do it the other way round and you have a vehicle that can be tipped over by a smartly executed three-point turn in a residential road.

The Bond Bug must be among the most unstable mechanically propelled vehicles ever made. The only rivals I can think of are milk floats and a thing called a Scammell Mechanical Horse, once used by the railways for local deliveries. They frequently fell over on corners. Milk floats swerving to avoid cats on an early morning prawn still do.

There is, I understand, a Bond Bug enthusiasts club. Its members must be masochists

and their numbers cannot be large because most Bond Bugs will have gone to that great fibreglass recycling plant in the sky.

My Woburn Abbey escapade was nearly 20 years ago but is still vividly remembered. So when Suzuki asked me to try its new and the words are Suzuki's own - "amazing new, fun recreational and leisure vehicle, the X-90" - I had misgivings. In the event, they were unnecessary because the X-90 is at the other end of the spectrum from the Bond Bug.

The X-90 is essentially a restyled, two-seat version of the Suzuki Vitara, a compact on/off roader favoured by young women - and a few young men - around town. It is as pretty as a picture, has a 1.6-litre,



Suzuki X-90: as much fresh air as you would get in an open car

95hp, multi-valve engine and comes with selectable four-wheel drive if you think you may need it, rear wheel only drive (at lower cost) if you do not. A five-speed gearbox is standard, with a high/low transfer box only on the 4x4,

automatic transmission as an optional extra.

The old idea behind two-seat sports cars was that they would out-perform family saloons because they were lighter and more nimble on corners. The draughts and discomfort were all part of the fun.

The X-90 is not like that at all. To be frank, almost any "supermini" would see it off in the traffic lights grand prix and its top speed is a lowly 80mph/130kph/87mph/140kph for the automatic. And Suzuki warns that, because it is a high-slung vehicle designed to

be used off-road, it cannot be thrown around like a normal tarmac-bound GT.

None of which really matters. You do not have to shatter speed limits or behave like a hooligan to enjoy the X-90. Driven responsibly, it handles with complete security and power steering makes parking effortless. Take out the tinted glass roof panels, stow them in the boot and lower the electric windows and there is as much sun and fresh air as you would get in an open car.

The seats are large and comfortable, the boot squash racket rather than golf club sized and the ride not at all bad, bearing in mind that the X-90 will go over terrain you would not attempt in a normal car. Twin airbags are standard and the insurance rating is a modest 6A.

Key-in-hand prices are £10,375 (manual 2WD), £11,375 (manual 4WD) and £12,325 (auto 4WD). Though all on-off roaders are thirty, the 42-litre (6.9 gallon) tank could give a safe refuelling range of at least 270 miles (435 km).

variety, I find it mildly appropriate that it has totally outclassed and overshadowed the honeysuckle named after him.

In 1909, the brave Blériot first flew the Channel and in 1910, a French nurseryman raised and named this stupendous yellow small-flowered rose in his honour. I like to think of it travelling hacking across the Channel from France to my garden and I would much like to think of it in many of yours wherever you have height and room and are feeling negligent and impudent.

Suppliers are almost limited to the kings of roses, Peter Beales and David Austin, but perhaps demand will increase supplies. The Aviateur is disease-free, rampant and astonishingly floriferous. It is a rose with an impeccable pedigree which will appeal to readers with their wits about them. When I rang Beales last year and remarked on yellow Blériot's progress, I told him that it had raced up the wall like a train.

I think you mean like an aeroplane, he replied, elegantly. Since then it has realized the vigour of a jet without any of the side-effects. It is the best thing I have found for ages, and I hope that I can pass it on to more of you in future.

Gardening / Robin Lane Fox

The aviator who flies up walls

I never remember a finer high summer. The weather is clear but cool; it makes you realise how frightful the previous two summers were. The flowers on sun-loving shrubs have been spectacular after their third year of dry summer heat. We have never seen better bluetrailing and nobody with any sense would wish to show this month's flowering acacias a yellow card.

Warm weather does wonders in various ways for things which grow up walls. Everybody is on the lookout for better wall-colouring and this year, there is a spectacular range from which to choose. Dry weather is not good news for the roots of most climbers - which usually live in semi-desert too close to a wall or overhanging eaves.

Whenever you can, remember to souse the roots of young clematis with much as a full can to each plant. Add some powdered Phostrogen when you water to greatly increase the rate of return. Impatient gardeners who complain that everything is too slow are often lazy gardeners. Regular feeding and watering helps to drive most climbers up the wall.

My particular successes on stone-work look more promising than ever; the winner is one I bought only in 1993 and it is now 2ft wide and at high without any of the attention which the books recommend. Its season is about to begin and everyone who sees it behind the notorious swimming pool forgets to notice how cloudy the pool's water has become in the heat.

I should have written much more about the hybrid American honeysuckle, *Lonicera americana*. I have to admit that I had never noticed it until I grew it, on expert advice. It has been said to need a year or two to settle down. On a south-facing wall, without watering, it seems to need nothing of the sort. The flowers fly in all directions on short shoots from the main framework of the plant. They have a pink tinge to their basic yellow and are overpoweringly scented.

It is an excellent companion to a swimming pool. It would also be spectacular up any

warm wall in a town, although I never see it in London. Face it south and leave it alone. Mine is completely free of those disfiguring black flies and I rate it one of my top belated discoveries.

We all know that some shrubs are listed as wall shrubs, but we are probably too obedient about the varieties we choose. Almost anything which likes sun can be

turned into a so-called climber, especially if it responds to tidy pruning after flowering.

Recently, the dry summers have greatly raised my opinion of the easy pink-flowered Beauty Bush, or Kolkwitzia. Last year, I remarked that the shy-flowering varieties which used to turn up in the trade in the early 1970s seem to have been eliminated. This summer, I see on my travels what a superb wall-shrub the easy Kolkwitzia will make in a relatively sunny place.

It responds to pruning after flowering and now that each bush is almost certain to flower beyond belief, deserves a neat place on a wall, however dry. It, too, is almost fool-proof, although the foolish do not choose it for their gardens, preferring to play around with a troublesome Passion Flower

because it sounds exotic. Climbing roses have, of course, never been better than this weekend, although I seem to feel that every summer of my life. Those which were defoliated by the heat and black spot last year seem to be improved, if anything, by the awful experience. Everyone has their favourites, but I do recommend them to grow a deep-coloured clematis into anything which is white. Clematis. The President has a luminous depth at exactly the right season for the best double white roses, including the flat-shaped, white-flowered Sambrelli which is sufficiently open in growth to make an excellent host.

Vigorous ramblers sometimes seem too spectacular and too short-flowering for even the impatient to be entirely enthusiastic. Afterwards, somebody has to tidy up the muddle of stems on an increasingly high ladder. Tidying and high-level pruning have never been my strong points and in a garden which is much too big for an academic, I tend to let

the high climbers take their chance. It is, then, with particular relish that I can alert you to my single biggest success among roses

until it loses its leaves in late June.

Idly, I thought that the Aviateur might hide the honeysuckle's off-season and I dug it in without particular care. Two years later, it was good enough to be the one plant of any particular interest to visiting merchant bankers who come with notebooks in order to plumb

any spectacular ideas.

This year, it is almost out of this universe. Nearly 20ft high, it has fallen toward in long cascades of unpruned stems, covered in hundreds of small yellow flowers which fade to the prettiest shade of lemon. Those living in the Cotswolds have not a hope of growing the double yellow Banksian roses which remind fortunates south-facing Londoners of their secret homes in Provence.

I no longer mind this inability, because Aviateur Blériot

seems just as good, vastly easier and willing to thrive in awful conditions. The greatest of all rose experts, Graham Thomas, did not have anything particular to say about this remarkable once-flowering



The Kolkwitzia: a superb wall-shrub in a sunny place

Garden Picture Library

Fishing / Tom Fort

Marching orders from trout

A holiday in spring should have an influence on the soul bordering on the miraculous. To abandon the tyranny and din of the office is the beginning of the cure.

Exchange the nosome workplace for space and clean air and, within a day or so, the depressed spirits revive. By the end of the break, faith in the world and humankind will have been restored.

To be sure, this exalted condition is unlikely to survive the return to the place of oppression for more than 10 minutes. But I maintain that the Health Education Authority would do better spending its money on promoting the spring holiday than on issuing useless advice on eating low fat spreads and roughage.

I don't recommend abroad. It's too far away, and the business of getting back will undo much of the benefit. Indeed, abroad is not much good for a spot of casual trout fishing, should the fancy take you. The necessary bureaucracy is wearisome, even in the unlikely event of a decent river being at hand.

Quite how trout fishing intruded on my own spring excursion, I would like to say. Nor would I care to explain how my fly rod, waders, net and bag found their way into the car. Such mysteries are better left unexplored. I do insist, though, that it

was not in any sense a fishing holiday. Nor was it to be a holiday with a bit of fishing included. It was a holiday which just happened to be in an area which happened to be close to a famous river which I happened never to have fished.

The area was the Welsh Marches, and it fits the bill perfectly. The blood-steeped turbulence of its past has long given way to a useful tranquillity. It has grand hills and gentle knolls, valleys broad and narrow, noble rivers and little streams, sweeping vistas and intimate delights. It is, simply, the most magnificent country-side.

In the main, fishing was kept at bay, and we did what was fitting: going to bed early, eating large fried breakfasts, getting cream from the farm, lounging in pubs, scrutinising dog-eared Ordnance Survey maps from varying angles, tramping respectable but not excessive distances.

We went to Capel-y-ffin, and were disgusted to find that the monastery which Eric Gill and his followers had turned into a most improbable artistic centre was shut and mouldering.

From there, guided by Thoresby Jones's fact-cramped *Welsh Border Country* (published in 1933 and still invaluable), we scrambled up Lord Hereford's Knob, which frowned across the Wye from a great height. Jones observes that the knob is very knob-like, which

is true. But he is disappointingly silent on Lord Hereford's part in it.

The view from the knob is remarkably fine. But even finer - because it stretches on two sides - is that from Herford's Ridge, a few miles north of Hay-on-Wye. Indeed, the only blemish on this whole stretch of country is Hay itself.

As a haunter of secondhand bookshops all my life, I say that is true. But he is disappointingly silent on Lord Hereford's part in it.

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At length, I found a little grassy bank out of the breeze, and lay down. In theory, I was awaiting the hatch. But in truth, I slept. It was a sweet sleep, nourished by the song of the birds and the water. I dreamed of the season before me, of other rivers, warm sunshiny, soft rain, and fat, compliant trout.

I went through the motions, searching the water with an upstream nymph, then with wet flies. Nothing happened, except that I saw an adder. What I wanted to see was a hatch of march browns or spring olives. But hatch was there none. I didn't mind in the least - I was happy just to be wader-clad and water-side again.

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The fly rod was reproaching

me for my neglect. I very much wanted to fish the Usk, famous for its salmon - which did not interest me - and for its spring trout fishing.

The answer was "yes" for the daffodils, "maybe" for the leading trees, and emphatically "no" as regards the trout.

I bought a day ticket at a modest price from an obliging lady at the hotel at Glines, which controls a lovely stretch of the Usk. I strolled down to the river where I was struck by a potent and accurate premonition that this would not be a day of achievement. The water, though clear, had a steely chill to it; and there was an edge to the wind which worked its way round and through the trees.

I went through the motions, searching the water with an upstream nymph, then with wet flies. Nothing happened, except that I saw an adder. What I wanted to see was a hatch of march browns or spring olives. But hatch was there none. I didn't mind in the least - I was happy just to be wader-clad and water-side again.

At length, I found a little grassy bank out of the breeze, and lay down. In theory, I was awaiting the hatch. But in truth, I slept. It was a sweet sleep, nourished by the song of the birds and the water. I dreamed of the season before me, of other rivers, warm sunshiny, soft rain, and fat, compliant trout.

The fly rod was reproaching

me for my neglect. I very much wanted to fish the Usk, famous for its salmon - which did not interest me - and for its spring trout fishing.

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PROPERTY

Future shock in the city

Anne Spackman considers London's housing needs

If you look at the latest figures on population growth and new home starts you might conclude that the business to be in over the next decade is house-building. According to government statisticians, the number of households in England is set to rise by 4.4m over the next 20 years.

According to the National House-Building Council, the number of homes being built has fallen to around 150,000 a year - 70,000 fewer than are needed to meet that demand. We are now building fewer homes than at any time since the second world war. Ergo, builders should be in for some profitable days ahead.

The builders do not see it this way. The reason many are cautious about putting up houses is that they believe, with justification, that they may prove difficult to sell. Similarly, local authorities are loath to sacrifice green fields when they can see a forest of For Sale boards on existing developments.

It is in order to square the circle that the government is publishing a green paper this summer to discuss where the new homes should go. Over the past few weeks the debate has been opened by a series of speeches by John Gummer, the environment secretary, and other ministers with responsibility for housing. Their message has partly been a political one - that there is an environmental price to pay for breakdowns in relationships: demand for at least a quarter of new households is expected to arise as a result.

The largest population increase is expected to occur in London, where 385,000 extra households are predicted by the year 2011. This is the equivalent of creating six new boroughs. Savills' research department estimates that in the private sector alone, the projected stock for the capital will satisfy less than three-quarters of the new demand. There are fears that the city lacks not

only housing capacity, but the transport and amenities to cope with it.

Much of the city's increase is made up of growing numbers of young workers transferring to London from within Britain and from abroad. Many are single, looking for city centre flats to rent and buy. (Nearly 80 per cent of the 4.4m new households will comprise just one person.)

Developers have responded quickly to the needs of this sector. A study by London Residential Research published in January identified 9,500 units under construction in the summer of 1995. Two-thirds of those were one and two-bed-

Some developers have reacted by converting office blocks into homes

room flats. While house-building starts in the country as a whole fell 16 per cent in the year to May in London and the south-east they rose by 14 per cent.

Some developers have reacted to the collapse in the commercial sector by converting office blocks into homes. More than 5,000 have already been altered and 8,000 more are in the pipeline. Five companies are bidding for the redundant Shell building on Waterloo roundabout, most with plans to convert it into residential space. The rush for sites has forced the price paid for building land in London to double over the past four years.

The advisory committee believes that at least 40 per cent of London's extra homes need to be in the social sector. It wants developers to include at least a 25 per cent social housing element in any development of more than 10 homes - something they are signally failing to provide now. In practice,

and a maximum which could be double that.

The advisory committee is considering a number of options to increase capacity, including converting parades of shops into housing, increasing densities - but only in high-quality developments with good communal space and creating large mixed developments of homes, shops and offices on windfall sites, such as former hospitals.

All these changes will have a profound effect on the character of London. They will bring people into areas of the capital which have traditionally been dead at night, avoiding the "doughnut" factor which has blighted American cities like Washington. This is already happening in fringe city districts like Clerkenwell and Bermondsey.

They will also shift London from a suburban-density city which still boasts houses with gardens into one of high-density flats, like most other big cities in the world. As a result, the price of houses in the centre is likely to continue its sharp rise.

The many public and private sector wise heads sitting on committees discussing the future of London's housing have grasped the nettle on capacity, although they are far from solving the problem.

However, they face a more urgent problem in the social housing sector:

For London to function as an efficient city it needs teachers, train drivers and nurses, as well as bankers. Few of these people can afford private housing in London. Providing homes for these key workers is seen as the crucial planning issue facing the capital.

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they are more likely to give a lump sum so that the local authority can build their social housing elsewhere.

The crucial questions in the forthcoming green paper as far as London is concerned will be how to crack the twin problems of capacity and social mix. The social housing lobby will point at schemes like the award-winning One Tower development on the south bank of the river, where Harvey Nichols is putting a restaurant on top of a good-quality social

housing scheme, as evidence that rich and poor can live side by side.

Another success story is Rotherhithe in Docklands, where, effectively, a new town has been created with good public transport links and a high proportion of low-cost housing. Such developments are seen by many experts as dovetailing with Gummer's vision of encouraging sustainable urban communities and protecting the countryside.

As the debate begins, the

4.4m figure which launched it is coming under intense scrutiny - and not just because of wishful thinking. There are many who remember that in the mid-1980s London was said to be suffering from an acute shortage of offices and office land, only to suffer a crash a few years later.

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By Steve Anne Spader

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A dark, grainy black and white photograph of a garden scene, likely a rose bush, with several text overlays indicating page numbers. The text is mostly illegible due to the low light and grain, appearing as faint white or light grey spots against the dark background.

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French Property Feature

FOOD AND DRINK

Blending is the buzzword among wine-makers now. Sick to death of 100 per cent varietals made from just one grape, they have been exercising their ingenuity in developing successful combinations, mainly of two grapes for the moment.

The horribly named Sem-Chard stretches available Chardonnay grapes and the magic of its name; wherever Semillon grapes are in abundant supply.

Watery Lombard looks, and tastes, better if blended with Chenin Blanc, Chardonnay, Semillon - well, just about anything.

In reds, Cabernet and Merlot is a marriage made in vinous heaven. Bordeaux to be precise. Syrah (aka Shiraz) and Grenache is a union sanctioned in the southern Rhône

valley. Cabernet Sauvignon and Syrah is as much of an established success in Provence as Cabernet Sauvignon and Shiraz in South Australia.

But a new combo is emerging, mainly but not exclusively from the Languedoc: peppery Syrah and plummy Merlot, sort of Hermitage plus Pomerol.

This works only if the Syrah is not too ripe and sweet (it would be horrid in most of Australia, for example) but has scored some notable successes in the south of France, the flesh of the Merlot filling out the sparser frame of the Syrah.

Domaine du Poujol's 1994 Vin de Pays de l'Hérault (£5.50

Bibendum, London NW1), for example, is a deep-flavoured, very versatile wine for drinking at a wide range of temperatures throughout this summer while waiting for its big brother, the Côteaux du Languedoc 1994 from the same domaine, to mature.

This chewy, garrigue-scented wine is £7 from Bibendum, and is made up of Cinsaut, Grenache and Syrah, but that matters not a jot.

What matters is that it is a true geographical rather than varietal expression, that could only be made here in the hills north-west of Montpellier, on a property recently acquired by Robert Cripps who was Bibendum's van driver in

The winemaker with the magic touch, Eric Flanary, has been poached from Corio Sur, Chile's best-value wine label, to make wine for the Errazuriz and Cahier labels, whose previous winemaker Brian Bicknell has returned to New Zealand. Gaudiano Caron, his former neighbour, has also moved north incidentally, to Franciscan's investment in Chile's cool Casablanca Valley. (Are you still with me?)

Knowing I is effectively the last of the Errazuriz line makes Corio Sur Pinot Noir 1995 all the more desirable, even if he was still in charge of fermenting the 1996 grapes, said to be excellent for Chilean reds. The Reserve 1995, from £1.99 to £2.50, at Victoria Wine, Oddbins and The Wine Society is stunning. Such stocks as remain of the regular version

are £4.39 to £5 a bottle.

A previous incarnation. The most impressive Syrah-Merlot blend to have come my way is Domaine des Tours 1993, a densely herby wine, very much more Syrah than Merlot, made near Vacqueyras

All change in Chile

vines and this Vin de Pays de l'Avancine could be aged for another four or five years if you have the patience. The Wine Society of Stevenage has not included it in its summer list but has 60 cases for sale at £84 each (£7.10 a bottle), reference number FC2851.

The cut-price versions come, rather perversely, from those supposedly upmarket stores Waitrose and Marks and Spencer. Waitrose has stuck a label that would be more at home in a garden centre than a wine shop on their cute Domaine de Rose Syrah-Merlot 1995 at £2.99. This Vin de Pays d'Oc from Chantavent is much deeper in colour and flavour than one expects at this price.

M&S (which is showing great prowess under £3 just as prices are inexorably moving up elsewhere) has Domaine St Pierre 1995, a Vin de Pays de l'Hérault at just £2.99. This is yet another wine St Michael buys from Domaines Virginie and, just like his arrangement with La Cuadisienne, seems to give him access to some good stuff.

This soft, fruity, full-bodied little red blends equal quantities of Merlot and Syrah with the red-fleshed Alicante made as though for a rose.

And, finally, two examples which prove that this combination need not be restricted to the south of France.

Fairview's 1993 Shiraz-Mer-

lot (offered in its infancy by the Bin Club, tel: 01454-224085, to its members, many of them expatriate) was an equally successful South African blend along flirtatious fruity lines.

A much more serious wine is made from Syrah and Merlot in Frascati country near Rome. Castel de Paolis 1 Quattro Mori 1993 is full, dense, glamorous, suave and more youthful than the South African example.

This is clearly an ambitious producer, rumoured to have a touch of Petit Verdot to mind for the next blend and also makes a stunning white blend from Malvasia and Viognier. Both wines are imported and sold to British restaurateurs at about £9.35 from Mille Gusti on 0181-997 3932.

Jancis Robinson

A sip of the 17th century

In the good old days, important visitors to Bremen were driven in to the Imperial Free City to celebrate 350 years as a free city. Krötz had assembled 45 of Germany's greatest riesling wines for a five-hour tasting in the Kaiserzimmer of the Ratskeller. The wines came from top vintages beginning with the 1983 and finishing with the 1989.

As the carriage approached the town hall an officer would give the signal to chime the bells and from the tower of the Church of Our Lady, a brass hand would strike up a tune. If that was not enough, a few

sabres were fired.

To tell the visitor that the good burglers of the north German port were wine drinkers and not common beer swillers, the carriage was filled with bottles from one of the city's most famous institutions: the Ratskeller.

This was just a little extra to add to the good things we were experiencing as part of the festivities in Bremen to celebrate 350 years as a free city. Krötz had assembled 45 of Germany's greatest riesling wines for a five-hour tasting in the Kaiserzimmer of the Ratskeller. The wines came from top vintages beginning with the 1983 and finishing with the 1989.

What the tasting proved, beyond a shadow of doubt, was the amazing longevity of top German rieslings. I was tasting a Montrachet from one of the best vintages of the 1930s, the most one could have said about it was that it still tasted of wine.

No one could have been so negative about the Bremen wines: Auslese such as the Wehlener Sonnenblau 1949 from J.J. Prüm, the Schloss Johannisberger 1945, the Hattenheimer Hassel 1933 from Schloss Schönborn, or the Kiedricher Berg 1921 from Robert Weil were unforgettable. Often the vintage itself conveyed a singular significance: 1933, for instance? The 1945 wines were an unbelievable achievement when you think of the state of Germany in the first few months after the war.

Bismarck was not impressed: he thought the Rose Wines vinegar and remembered with pleasure only the lovely old renaissance houses and the excellent cigars he smoked in Bremen.

Heine, however, was delighted with his tipple. He called the Rose Wine "the rose of roses... The older it gets the lovelier it blooms." He drank with the cellar master, confessing that he would have knocked him down to get at the wine.

The present cellar master Karl Josef Krötz, is kept on a tight leash. Despite seven years' service in the Ratskeller in Bremen, it was only on June 1 this year that the Bürgermeister gave him permission to taste the Rose Wine as he measured out around 30 small glasses for his guests.

I was one of the elect who tasted the 1955 Rüdesheimer that day. It was certainly an extraordinary wine: dark amber with a powerful smell of coffee and cherries, like some venerable, old Madeira. The acidity was also huge, keeping the wine in shape after nearly 350 years in cask. Two senior members of the British wine trade confessed it was the oldest wine they had ever drunk, and by a century or so.

A taste from the Rose cask

Giles MacDonogh



Heroic eating in the fatherland

Giles MacDonogh has an enjoyable time with two rather eccentric German hoteliers

Germany is not a country which we readily associate with eccentricity. Mention the place and images of tiresome conformity spring rapidly to mind: such as traffic-free streets with crowds of people standing doggedly at the pedestrian crossing waiting for the lights to tell them they may cross. Like all national stereotypes, there is a grain of truth to it; for one reason or another German society has always appreciated the citizen who conforms to the reigning norms.

All the more refreshing, then, when you meet a German who is wholly out of the ordinary. I met Andreas Kleber on a train in Wrocław, Poland. Confused by the ambiguity of the station signs, and correctly judging him to be German, I asked him if it were the right train for Dresden. I almost wished I had not: there followed a full description of the present, past and future destinations of the train, together with a historical evaluation of the train's performance compared with the pre-war timetables.

It transpired that Kleber devoted his spare time to travelling the European networks and mugging up on their history. When he was not on the rails he is back at his hotel in Saulgau in Württemberg, which his family has owned for the last 335 years.

I next met Kleber at a Prussian food fair to be organised in Saulgau. At

dinner I found myself sitting opposite the writer Ernst Jünger. He was then a sprightly 97-year-old. In March 1995 he turned 100 and a birthday party was thrown for him at the Kleber Post. President Herzog and Chancellor Kohl were among the guests.

The Kleber Post has always been about the best hotel and restaurant between Ulm and Lake Constance; a stretch of land famous for its wonderful rococo pilgrimage churches, such as Dominikus Zimmermann's Steinhausen only a few miles away.

I was last in Saulgau last month. It was the asparagus season, and Eleber's kitchen had the chance to show its mettle by creating a number of menus around one of Germany's favourite foods.

The Germans know a thing or two about asparagus. For the most part they shun the green sort favoured in Britain and seek the whitest spears from under the soil. Those who have never experienced the freshest asparagus of Freiburg or Ortenau, in Baden-Württemberg, have yet to discover one of the greatest and most delicate flavours there is.

Germans do not just consume huge amounts of asparagus in season, they fall over themselves to find different ways of presenting it. On my first night at the Kleber Post I had some simply served up with a hollandaise, a floury potato, and a few fresh morels.

The four brothers Pfleum inherited

Then, for the next course, asparagus appeared as the foundation to a dish of salmon trout.

That meal was light compared with the feast Kleber dished up the next day: asparagus with raw ham and Parmesan cheese; asparagus with local Danube catfish; beef broth with asparagus; asparagus with salmon tartar; and that was not including two or three dishes (cheese and pudding, for example), which did not include any asparagus.

The Kleber Post recently opened a new wing, with comfortable modern bedrooms across the courtyard from the historic coaching inn, and Kleber has transferred the reception to the new building. That has left him a little space to play in the former reception area of the old building. I asked him what he intended to do with it. I should not have asked. He is going to build a new bistro: in a rail-way carriage.

Pegnitz is a little town on the fringes of Franconian Switzerland, about 15 miles from Bayreuth. It was polished up in the 1950s and now, with one notable exception, it offers little of interest to the traveller. The exception is Pfleum's Post Hotel which, in stark contrast to the blandness of its surroundings, has to be the weirdest hotel I have seen.

The four brothers Pfleum inherited

a family coaching inn called the Schwarzer Adler (this part of Franconia was Prussian until 1806). Their various professions made them ideal partners in the business: Andreas was the hotelier, Hermann the cook, while of the two remaining brothers, one became a butcher and the other an architect.

In the parents' day, the hotel had five rooms and a menu composed of hefty Franconian Haussmannskost: sausages and the like. The father brewed beer and distilled schnaps to give the place all the creature comforts of a German country inn.

Andreas Pfleum, however, turned his eyes towards Bayreuth. Every summer the town was full of festivalgoers. With the help of interior designer Dirk Obliers, the old place was turned on its head to create 25 rooms and as many suites ranging from simple period pieces to half-timbering in the old wing, to futuristic fantasies in the new.

I stayed in the Parsifal Suite, a fine example of Obliers' Gesamtkunstwerk. At the centre of the suite was a sort of hi-tech "lair", containing a bed. It was constructed of metal, mirrors and equipped with a concealed television (with opera videos, of course) and speakers which allowed you to listen to the stock of Wagner CDs. At the flick of a switch 1,000 little blue stars appeared. Meanwhile, the marble bathroom seemed to owe something

to C.R. Mackintosh. The first man to sleep in this astonishing bed, it transpired, was Plácido Domingo.

In spite of its futuristic suites, the Post Hotel still has its feet in Franconia. When I arrived parched from my train journey, a chambermaid brought me a jug of beer from the hotel's own brewery. In one dining room, Hermann Pfleum cooks recipes inspired by local traditions. The accent is on healthy foods.

Eating one night from the more elaborate menu I had a Viennese Beuschl (calves' heart and lungs) and excellent pigeon with potato dumplings and plate asparagus (it was still May). The next day I ate Hermann Pfleum's sole gras and then dipped into the Franconian menu to eat roast duck with a hint of paprika and a delicious baked apple in a calvados sauce.

Later the sommelier piled me with powerful local schnaps so that I retired to the Parsifal Suite in a heroic mood, once more to boggle at the eccentric fantasy world which served as my temporary home.

Andreas Pfleum, I told myself, would never be caught waiting at the lights.

Kleber Post, Saulgau. Tel: (00 49) 07331 5010. Rooms from DM88-DM290.

Pfleum's Post Hotel, Pegnitz. Tel: (00 49) 09241 7250. Rooms from DM200-DM500. Suites substantially more.

A taste from the Rose cask

Giles MacDonogh

Illustration: Jill James

Guests are invited to enjoy Anton Edelmann's skill in matching wine with food at a special four-course dinner at The Savoy Hotel, London. Edelmann, the hotel's maître de cuisine, has designed a menu of langoustines, ravioli of foie gras with caper, fillet of lamb and an interesting three-dessert mix, which includes a raspberry soufflé.

As each course is served, Edelmann will talk about the dish's provenance and preparation. Winemakers Wolf Blas of Australia and Antonio Rodet of Burgundy will explain the chosen wines and how they complement each dish.

Eighty people can be accommodated. The price is £65 a head and tickets for the event on July 8 include a Laurent Perrier champagne and canapé reception at 7pm.

FT readers will receive a copy of Anton Edelmann's *Fast Feasts* (HarperCollins, £19.99, 175 pages) at no extra charge but you must specify when you make your

Appetisers

It's a match at The Savoy

reservation that you read about the dinner in the FT's appetisers column. The offer will be limited to one book per reservation.

For further information ring 0171-420 2356.

■ A wine bargain: Chianti famously comes in all shapes of bottles and at a bewildering array of price levels. Most cheap Chianti is highly suspect but the Chianti Rufina 1994 in Tesco's daring new range of Chianti from different areas within the region is exceptional.

Blended by whisky oenologist Franco Bernabei, it is absolutely typical of Rufina - solid but with real bite and even ageing potential - except that it is only £3.99. But what on earth is Tesco doing selling an "Italian Shiraz"?

Jancis Robinson

Before lunch was over, £2,000 worth of goods had been bought on the stolen card.

The second is perhaps an even cheekier tale. As a couple sat down to lunch the woman placed her handbag on the table. They were approached by another couple who pretended to be lost and proceeded to spread a map over the table and the bag while asking for directions. Once these were kindly given, the second couple then left with the map and the handbag.

You have been warned.

Nicholas Lander.

■ Traditionally, London wine auctioneers have not competed with retail merchants in offering very young vintages, especially those en primeur not yet bottled. But for the first time, on July 11, Christie's is selling 1,520 cases of 1995

clarets sold by the Bordeaux negotiants Dourthe: wines from no fewer than 72 estates, overwhelmingly classified.

They include 20 dozen each of five first-growths: Margaux, Lafite, Latour, Mouton and Haut Brion; and 10 dozen of Cheval Blanc. With few exceptions, the 658 lots of red and 27 of white, range between one and three dozen apiece.

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TRAVEL



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Monaco's star kitchens

The tiny principality of Monaco is best known for its casino, its baroque luxury hotels, its friendly fiscal regime, and its royal family which next year will celebrate 700 years of uninterrupted rule.

But Monaco is not just flashy yachts and sports cars, scandalously big fortunes, high rollers and property investors. It has its own particular local culture, its folk dances and music, its own language (a cocktail of French and Italian), and its gastronomy.

There is no better way to taste the local food, which draws heavily from both French *Provencal* and Italian Mediterranean traditions, than on the Palace Square. There, in one corner, is the Castelroc restaurant with tables outside near the small cannons defending the ramparts of the *forteresse*, the rock on which the Prince's palace stands.

Apart from the Castelroc, you can find delicious Monegasque specialities at a stall in the Monte Carlo market where you can buy local pizza, *petits fours* and *beignets* (fritters usually made with artichokes) to take for a picnic on the yacht.

And, yes, even the Société des Bains de Mer has discovered the attraction of Monegasque food. At Li Vigne, its prettiest restaurant opens only to summer at the rocky point of the Monte Carlo Beach, they serve a fabulous *buffet provençal* under big parasols from where you can watch the Beverly Hills crowd preening themselves under their green and white tented cabanas as you are serenaded by Mexican musicians. A trifle vulgar you may argue, but not a bad way to spend an afternoon.

Paul Bettis

Cruising back in time

John Torode takes the last classic paddle steamer down the Nile

It is the oldest, slowest and smallest of the 291 cruise ships which glide between Luxor and Aswan on the Upper Nile. Yet as the gaily floating hotels pulled rapidly past the SS Mahasen (recently renamed Time Machine), their impersonal decks were crowded with American and Continental tourists wanting to capture on camera the charm of the last classic paddle steamer in service in Egypt.

It was bliss to wave in acknowledgement of anxious stares as we sat smiling superciliously on our pocket-sized sun deck sipping hibiscus tea or the unexpectedly good local Stella beer.

What is it that attracts a certain type of British tourist to the Mahasen? The fact that it is the sister ship to the *Mamounia*, used for the Agatha Christie movie *Murder on the Nile*? (The *Mamounia* is now, alas, a waterfront restaurant in Cairo.) Or fantasies inspired by the knowledge that the two boats were built in 1908 as toys for the Egyptian royal family?

The decadent King Farouk arrived here on ostrich feather mattresses before becoming bored and turning the boat over to his cabinet. It was sold in 1981 after the assassination of President Sadat and restored as a labour of love by Colonel Samih Guameith, a retired cavalryman.

The Mahasen is about creature period charm, not luxury. It has 19 tiny cabins, one dining room with six tables, unspiced food and no choice of menu or table companions. There is a delightful Arabic saloon, all mahogany and inlaid ivory, with a modest bar in one corner and a sun deck. But there is no swimming pool, no night club, no cinema – not even a souvenir shop.

Instead, there is an inevitable intimacy with the other passengers, the 21-strong crew, and the country. The colonel regaled us with tales of derring-do during his service days. The captain, pleasingly named Aladdin and who, to be the colonel's brother-in-law, became a friend. The dignified Nubian stewards, most of whom were related, were soon swapping family details with us.

Unusually, we had the same guide all week and he travelled with us on board ship. Hani, intelligent as well as charming, had graduated from Cairo University in Egyptology and English. He treated us like intelligent adults, eager to learn. Given the concentrated and physically demanding nature of our crash course in Egyptology, this was a bonus. I was not prepared for the early starts, the rough terrain and the scale of the impressively preserved Egyptian tombs and temples. Nor for my lack of cultural context.

What drove this astonishingly rich but curiously static civilisation, which peaked some 4,000 years ago, and then hardly evolved down the millennia? Why did these ancient Egyptians dig massive tombs, each one bigger and grander than, say, the Whitehall War Rooms from which Churchill conducted the second world war, in the grandeur of the bleak Valleys of the Kings, Queens and Nobles in the Theban mountains? And then obsessively decorate every wall with beautiful, stylised but repetitive painted scenes of death and resurrection, and fill great ante-chambers with tens of thousands of rich and beautifully worked objects needed in the after-life?

There is a special charge to visit the tomb of Tutankhamun, the only royal tomb discovered unlooted. The boy king's mummy lies in a golden sarcophagus within which is a

coffin of pure gold weighing 20kg. His resting chamber is painted with exquisite portraits, including 12 baboons guarding the gates to the underworld. The ink black ceiling still sparkles after 3,500 years with stars of gold leaf. In one ante-chamber, at least 800 glorious artifacts were discovered, including disassembled ceremonial chariots and great thrones. And this was an obscure monarch whose passing was hardly worth marking.

The largest temples are Luxor and Karnak, 3km apart, but the most perfectly preserved is at Edfu and dedicated to the falcon-headed god, Horus. This pleasant provincial town, midway between Aswan and Luxor, was the high spot of the cruise. It was buried under protective sand dunes until excavated in the 19th century and an unusually high proportion of the bas-reliefs have survived defacement by early Christians.

Others preferred the Temple of Iulis at Philae – the island complex shifted by a UNESCO operation to save it from a watery grave after the Aswan High Dam was built by President Nasser. Visit it by night, on a tiny sailing boat, and attend the walk-through sound and light show. Visually, the experience is stunning, although the clichéd commentary delivered in booming Shakespearean style generates hoards of derision.

For those who prefer something more passive, a cruise on

all we saw on the day was blood in the gutters.

Later in the day, I discovered a park behind the Temple of Luxor. It was crowded with families out for the equivalent of an Easter Sunday picnic. In spite of terrorist attacks down river, there was no sense of fundamentalist tension here.

The men were dressed in white robes, the heavily veiled women in black with gold

embroidery and the little girls in elaborate party frocks with bright bows in their hair.

Again and again, I was beckoned to join in domestic feasting, and when I was replete, I watched magicians, jugglers and all-male troupes of Nubian dancers. Outside in the souks, I had been hustled to buy souvenirs or give bakshish, but rules of hospitality applied here. I was not allowed to contribute when the collecting boxes went around.

Incidentally, many of the hustlers in the souks sell bargains – beautiful Nubian jewellery, for example, or fine local cottons and silks. Haggling ferociously, and accept theatrical explosions of anger or contempt as part of the ritual initially, offer 10 per cent of the figure that the stallholder first proposes. You should settle at

around 20 per cent of that first proposal. If you do get into trouble, two magic words will put an end to commercial (or sexual) harassment: Just yell "tourist police" and watch your tormentors disappear.

■ *Voyages Jules Verne* (tel: 0171-723 5060) is the exclusive agent for the SS Mahasen. An all inclusive seven-day package costs between £350 and £500 a head.

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TRAVEL

The spiritual metropolis of the Scots

Leslie Gardiner visits Stirling, a provincial town which commands the Highlands and the Lowlands

Pick the soil with a needle," the ancient Greek said, "and you uncover the bones of heroes." That phrase could apply to the landscape round Stirling Castle. From its ramparts, they say, you can see seven battlefields. Or you might if they were not smothered by a sprawl of low-cost housing and industrial buildings, decorated with the dirty grey harling or pebbledash favoured by Scottish local authorities.

Almost underfoot is Stirling Bridge, over the river Forth, where Wallace in 1297 defeated the English. At Falkirk, a little farther off, he lost the return match.

In a cottage beside the motorway at Sandburnhill, in 1488, James III lost his life, having earlier that day lost the battle. Your eye ranges on towards Edinburgh and the Pentland Hills, and if you include the various skirmishes throughout the killing fields number more than seven.

Just south of Stirling Castle, close to mid-Scotland's Spaghetti Junction where the

motorways from Glasgow, Edinburgh and the north come together, is Bannockburn the most celebrated battlefield in Scottish history.

Patriotic fervour has run wild over the scene of England's bloody nose of 1314. Souvenir shops, gigantic murals, continuous movie presentations, sound effects and map displays proclaim Scotland's biggest heritage centre.

An avenue leads uphill over the sacred turf to commemorative walls and pavements (vandalise have destroyed some attractive mosaics), to the Borestone (bored stone) with its socket in which Bruce's standard may have been planted and to Pilkington's huge black equestrian statue of the Liberator himself, silhouetted against the sky.

Call it brash, call it vulgar triumphalism, point out that Bannockburn was not fought there at all but several miles away. Compare the hysteria of Bannockburn with the noisy stone of Flodden across the border and its simple inscription, "To the brave of both nations" ... but remember that

this is haunted, hallowed ground for every Scot and a symbol of his determination to be Scottish.

Looking north beyond Dunblane you can see the heathery, bracken moor of a battlefield which, alone among the seven, actually looks like one. The A9 Stirling-Perth road runs by it and a signposted track takes you to the Gathering Stone of Sheriffmuir, where the Old Pretender's army of Jacobites met government troops in 1715.

Burns wrote of thousands hastening to the charge, of hacking and bashing and broadswords clashing - but Burns was not there.

Satirical verses tell a more likely tale of muddles, mismanagement and no one knowing why they were there: "Some said that we won, and some said that they won, and some said that they won at it's", man.

Ballads celebrate another Jacobite affair of 1746 in which Bonnie Prince Charlie claimed a sensational victory. It did not halt his pursuers and one of them, Major James Wolfe

(Wolfe of Quebec), probably got it about right when he said: "Twas not a battle, for neither side world fight."

Geologically, the Castle Rock of Stirling replicates that of Edinburgh, a crag-and-tail formation, a granite rock and a trail of rubble where the glacial flow was interrupted as it scoured out the valley of the Muir.

On that ridge of rubble the old town of Stirling took shape. The downhill street is no Royal Mile but once you have passed

the mandatory heritage centre there are traces of a Jacobean heyday: Mar's Wark, the mansion of Scotland's premier earl; Argyll's Lodging, another aristocratic town house; Darnley's House with a signboard "Nursery of James VI and his son".

The old civic centre includes Mercat Cross and a Tolbooth church (or cross) where John Knox, the Protestant fanatic, presided at the coronation of James VI who, like his mother Mary Queen of Scots,

was born and brought up a Roman Catholic.

Like other Scottish towns which are huddled under a rock and hemmed in by a river, Stirling has parking problems and its chief attraction, the Castle, involves a breathless climb.

If it offered nothing but the view it would still be worth it. Ignore the deadly rash of housing estates, the motorways and the flaming towers of the Grangemouth refinery along the river. Stare incredulously at

the middle ground and Ben Ledi and Ben Lomond are cardboard cut-outs against the setting sun.

Where Edinburgh Castle is extensive and grim, Stirling Castle is compact and frivolous, a Renaissance complex of little windows, crenelated gables, enigmatic carvings and twisted chimneys.

Royal Palace and Parliament House have had millions spent on their refurbishment. You can get married and hold wedding receptions here. On many a Saturday afternoon the esplanade presents scenes reminiscent of the bloodier events of Scottish history.

Amid the jigsaw of courtly constructions, near the gatehouse, is the regimental museum of the long-time garrison, the Argyll and Sutherland Highlanders. It stirs recognition by movie buffs.

It was the *mise-en-scene* of a travesty of army life, very popular in Scotland, called *Tunes of Glory*, featuring the doughty Scot Alec Guinness and the English wimp John Mills.

Patriots have suggested that Stirling, not Edinburgh, might be the capital of an independent Scotland. They have a point. What other small provincial town boasts a royal palace and castle, a cathedral (Dunblane, 8 miles away), a university (Bridge of Allan, 3 miles away) a nexus of motorways and seven battlefields?

Stirling commands the Highlands and the Lowlands, is equidistant from Glasgow and Edinburgh and a mediator between the warring passions of those cities. Best of all it has Bannockburn, the spiritual metropolis of the Scots, and is central to the Braemar, Rob Roy and *Tunes of Glory* stories, important for all who confuse Hollywood with history.



Robert Hardling

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ARTS



'The Sponge Diver' by Winslow Homer: a distinctive spirit at work with an amplitude of scale and unfussy openness

Awash with American spirit

William Packer admires an exhibition of watercolours on loan from Boston

We pride ourselves here in the UK on our tradition of painting in watercolour, and not without reason: but we make a great mistake in supposing ourselves unique in the accomplishment. Equally, achievement in art is never an international competition, so to be faced with work that challenges our too-comfortable superior assumption is not a question of which is the better. Confronted by the magnificent group of watercolours by American artists of the late 19th and early 20th centuries, now on show at Edinburgh, we are only lost in admiration at their quality, and intrigued by what national differences they might declare. The only disappointment is that the selection offered by Boston's Museum of Fine Arts from its collections is so small.

The period covered runs from the 1860s to the 1940s, which takes us from the work of such painters as

James Hamilton, Thomas Moran and Samuel Colman, steeped in the grandeur and sublimity of the Turnerian model, to the evident modernism of such as Georgia O'Keeffe and John Marin. But even in those early and apparently derivative examples, we find a distinctive spirit at work – an amplitude of scale to match the vast American wilderness they celebrate, that only then was being opened up. There is a broad-shouldered sweep to it, an unfussy openness, a certain swagger beneath all the technical sophistication, that it is not unlikely to be typically American. These qualities we find throughout.

The famous names inevitably take charge, given the comparatively small compass of the show. Even so, John Singer Sargent, Edward Hopper and certainly Winslow Homer are not so well-known over here that a substantial spread of their work is gratifying; and Sargent anyway is always a joy.

The Homers are particularly fasci-

nating, beginning as they do in the 1870s with their roots in Victorian narrative, amounting at times almost to illustration, and then developing rapidly into images of the most vigorous, free and broadly-stated detachment. One painting, of a colourful house at street-corner in Santiago de Cuba (1885), prefigures English neo-romanticism and Edward Bawden's particular, by 80 years. But here his finest paintings, of the forests and lakes of the Adirondacks, come a little later, around 1890, and are descriptive evocations rather than exact representations in the loose sweep and flow of the paint, the trees leaning dark, moody and atmospheric above the little canoe upon the water.

Sargent, on the other hand, astonishes precisely by the exactness of the description he achieves by the lightest, most free and rapid of means. Nothing could be truer to visual experience than the shadows that dance across the glistening-white wall of the Coriolite cabin, or the reflected light

from the water shimmering upon the underside of the Rialto Bridge (both 1909). And all is done, or so it would seem, by nothing more than a flick and a smudge. The affectionate notes he makes, too, of his family party relaxing during its passage of the Simpson Pass (1911), the women dozing on the bank beneath their parasols or sketching away, spare brush in teeth, all broad hats and full skirts, are miracles of spirited and exact economy. With quite a start, we realise these are not notes at all, but the real thing.

But there is great surprise and more pleasure to be had of names less well-known: Charles Birchfield, with his long, straight white road running down and away (1938); Marguerite Zorach's schooner in the Bay (1919); and John la Farge's vertiginous precipice (1891). Childe Hassam's Chicago Nocturne (1888), dark shades of Whistler with

its flares and specks of light, suggests a close affinity with Scottish contemporaries, and Arthur Melville in particular.

The wonderfully idiosyncratic Prendergast is frustrating only in that one wants to see so much more of his scurrying, colourful crowds, at once simplified to the point of abstract simplicity, all dots and blobs, and yet characterised with a gentle and humorous precision. Here is a holiday crowd at Handkerchief Point (1897), while sails far out at sea and family groups scrambling about the rocks. A pretty young mother hurries urgently towards us in full sail, shows aside, white skirt flying, her husband, child in arms, valiantly bringing up the rear. Wonderful stuff.

Acoust in Colour – Great American Watercolours from the Museum of Fine Arts, Boston: National Gallery of Scotland, Edinburgh, until July 14, then to Amsterdam. Sponsored by The British Linen Bank.

Television/Christopher Dunkley

Drama in the Prix Italia

Television may vary from country to country, though less than you might hope, but all over the world programme makers seem to be subject to the same sort of pressures. Chief among these in 1996 is the growing domination of market forces and the consequent retreat of public service broadcasting. The more dominant the market becomes (i.e. the more television becomes commercial) the more you find that drama consists of series and serials and the fewer single dramas are produced.

Like all good equations this works in reverse. Show me a country which still produces a significant number of single dramas and I will show you a country which still has, or until recently had, a strong tradition of public service broadcasting. You can extend the rule. Adaptations from classic literature are a sign of public service drama with a powerful moral dimension – not wagging a finger necessarily, but with an interest in life's moral uncertainties – suggests public service broadcasting; whereas murder mysteries, police series and serials about any emergency service tend to indicate the dominance of market forces.

Look for the most traditional drama entry of the lot and you would probably fix upon Russia's *Theatre Cheltenham*, a one-off costume drama all shot in studio, and – there is no point in being dishonestly charitable – stunningly static. Perhaps there are subtle riches in the dialogue, but if you speak no Russian and find yourself stumbling over the French subtitles these pass you by. The submitting organisation is quite explicitly called Russian Public Television.

From the Netherlands, which has one of the most complicated (and richly varied) broadcasting arrangements in the world, where the public service sector is still fighting a grim rearguard action against cable, satellite and other commercial forces, we have seen *Charlotte Sophie Bentinck*, a beautifully filmed costume drama with the sort of production values that you expect from similar BBC dramas. Like several other entries at the festival this endeavours to find the attitudes of 20th century feminism in another age, in this instance the late-18th century, but it emerges pretty creditably from the challenge.

Is it likely – does it even seem possible – that those now using cable and satellite to vie with the old broadcasters will ever originate material as rich as this? Hardly. No doubt they will relay Hollywood movies to us, but probably the very best we can expect in the way of real television drama is the sort of production entered here by Globo TV of Brazil: an episode from *Critic Pit: Her Loves And Sins*. An adaptation of a novella, this is well enough made, well acted and amusing, but its chief selling point is plenty of sex.

Obviously these are not hard and fast rules. There is nothing unusual about old public service broadcasters making police series, and once in a while commercial broadcasters still make one-off dramas, even costume dramas. But the Prix Italia, which is in its 48th year, has been attracting many of the best programmes from around the world virtually since the dawn of television, and it seems pretty clear that these are the exceptions that prove the new rules.

The music journalist Norman Lebrecht has added an unexpected topicality to the Wimbledon season. Monday's *Kaleidoscope*, presented by Lynne Walker, dealt with his recent doomsday prophecies about classical music. Among those who have waxed fat at the art's expense (according to Lebrecht) are the manipulators like Mark McCormack, the wheeler-dealers in talent, both musical and sporting, who control the appearances of the biggest names and trot them round the world like the most select horseflesh.

By happy coincidence, Radio 5 Live's *Moguls* on the

Radio/Martin Hoyle

Wheeler-dealer who calls the tune

notwithstanding, he manages to be famous).

Trained as a lawyer, he was a golfer of international amateur competitive standard before signing on one Arnold Palmer in 1980. He is agent, manager, television producer and package. He introduced the concept of business hospitality – and "the most highly-in-demand entertainment marques in the world" – to a grateful Wimbledon while deciding that it should be sponsor-free (that is that the Centre Court should be innocent of advertising).

The Golf Open praises him for respecting its traditions. He invented and owns the World Match Play Championship at Wentworth; and there's the rub. As a renegade from McCormack's agency explained, Wentworth invites players to participate; some clients are more favoured than others – and in theory an obscure Japanese golfer can be invited to please his sponsors rather than as an accomplished sportman.

McCormack has written books for aspiring business executives containing his "ten commandments of street smartness". He has "handled" (as one says in the biz) the Pope on tour, to the gratitude of the Holy See. "It relieved us of hassles and problems of bad taste," observed one consignor cryptically. Television rights for the World Cup, besides the International Amateur Athletic Federation and FIFA, are in the McCormack sights.

And music? McCormack deals with (I nearly wrote "owns") some of the greatest names among musicians and conductors on the international scene, and the superstar marketing that applies in sport is said to be ruining the classical music industry.

Tantalisingly this lay outside the sports programme's brief, doubly annoying since the presenter was David Mellor, the Minister of Fun. You remember, who fought his corner with the Treasury so well that he increased funding for the arts by over 20 per cent: a Good Thing, possibly the only Good Thing to hit the arts under the Conservatives. One can only hope they got on to music and that the discussion – which should surely be less axiomatic than this affirmation of McCormack's integrity – is awaiting a slot.

Not many McCormacks were produced by British redbrick universities, to judge from *Bloody Students*, Radio 4's jumbled and inconclusive series on – well, bloody students. Impressionistic rather than linear, it painted a rather unprepossessing picture of education and sometimes of those who sought it, including the fashionable of the boozing 1960s.

Last week's finale included touching vignettes of seven girls huddling cosily in one bed to watch television in digs infested with mice and rats and boasting a lot that leaked on to the table of the kitchen. Some cautiously incorrect (politically) voices referred to it as a massacre; noted the archaeological evidence that the Native Americans (sic) were just as polluting in their way as the white man; that they killed one another for gain; that, in short, the idea of an unspoiled paradise brutally ravaged by the white-eyes might be a romantic myth.

Pluggers of romantic heroics in Ireland, Scotland, Africa and India take note. Just to keep things in perspective, you understand.

The lively Spitalfields Festival has just ended, and its third evening was given over to a "Composer's Portrait" of Judith Weir, as it happened – who is one of the festival's artistic directors, along with the composers Michael Berkeley and Anthony Payne. A festival which is lucky enough to have composers directing it naturally expects to play some of their music.

Equally revisionist were some brave American voices in Radio 3's *Last Stand*, part documentary about the recreation of General Custer's defeat at Little Bighorn a hundred years ago by enthusiasts who resemble our own Sealed Knot with its revived Civil War battles.

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They were artfully delivered by Jane Manning with her band Jane's Minstrels, for whom Weir had also produced a chamber version (!) of Walkreute's narration from Act 1 of *Götterdämmerung* – a fascinating close-up of the music, though non-Wagnerians might be puzzled by it.

Finally we had her 1994 *Musicians Wrestle Everywhere* (title from Emily Dickinson), a pawky little chamber

WORKS OF ART FROM THE BUTE COLLECTION



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Spitalfields Festival

Weir's musical whinnies

The lively Spitalfields Festival has just ended, and its third evening was given over to a "Composer's Portrait" of Judith Weir, as it happened – who is one of the festival's artistic directors, along with the composers Michael Berkeley and Anthony Payne. A festival which is lucky enough to have composers directing it naturally expects to play some of their music.

This particular "Portrait" offered new and recent Weir, starting with *Horse d'oeuvres*. Characteristically jokey and clever, it consists of three songs to poems (Ferlinghetti, Wang Wei and Anon.) which happen to mention horses.

The first is accompanied by virtuous whinnies from a solo horn: the Wang Wei poem, about a farewell, suggests the closing scene of *Das Lied von der Erde*, and Weir's small ensemble conjures up a weight of Mahlerian grief.

They were artfully delivered by Jane Manning with her band Jane's Minstrels, for whom Weir had also produced a chamber version (!) of Walkreute's narration from Act 1 of *Götterdämmerung* – a fascinating close-up of the music, though non-Wagnerians might be puzzled by it.

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ARTS

Off the top of the scale

Despite the sky-high fees demanded by some musicians, Andrew Clark explains why the music will never stop

Singing for your supper takes on new meaning today, when Luciano Pavarotti, Plácido Domingo and José Carreras entertain their Japanese fans at Tokyo's Kasumigaseki National Stadium. The concert kicks off a Three Tenors' world tour, designed to cash in on the money-spinning format of the World Cup concert of 1990 and 1994.

The tour comes to Wembley Stadium in London on July 8, followed by Vienna (July 13), New York (July 20), Gothenburg (July 25), Munich (August 2), Düsseldorf (August 24), Toronto (January 4) and Melbourne (March 1). For each concert the tenors will get a guaranteed fee, plus a

single concert than most people take home in a year. Lorin Maazel's contract as music director of the Bavarian Radio Symphony Orchestra is worth an estimated £2m. The soprano Cheryl Studer and Edita Gruberová earn up to £12,500 for performances in Munich and Berlin. The pianist Evgeny Kissin has a take-it-or-leave-it fee of £3,000, and Mstislav Rostropovich has been known to demand £50,000 for a single concert.

Even accounting for inflation, these figures are far higher than the fees of the 1960s and 1980s – a reflection of the increasing commercialisation of classical music. A generation ago, singers had to wait until their careers matured before

record companies and the publicity they generate to maximise sales. The more interest you stimulate worldwide by advertising, media interviews and carefully selected engagements, the more demand you create for your recordings and concerts. The greater the demand, the higher the fee.

This has a snowball-effect; a year ago Roberto Alagna, an EMI artist, was paid £12,500 for a concert in Paris; this year he and his wife, the soprano Angela Gheorghiu, will make £35,000. Half the work for more than double the money; the glamorous couple are a marketing dream. So is Bartók. Skilfully promoted by a New York businessman, Jack Macriani, and armed with a Decca contract, she has more than tripled her fee in the past three years.

The arrival of the super-agency has also raised the stakes. Over the past quarter-century a handful of agencies have cornered the top end of the market, allowing them to dictate terms to opera houses and concert promoters in a way that was unrealistic when artists were managed by a host of smaller agencies. In the US, for example, it has become virtually impossible for a conductor to make an impact without being on the CAMI agency's books.

But the latest evidence suggests the boom years are at an end. The problem for the music business in the 1990s is that income is not keeping pace with fees. Box office prices

have been pegged – a dramatic hike would chase away audiences – and the value of state subsidy began to taper away a decade ago, most noticeably in the UK. Even Germany is now feeling the pinch.

Some commentators are painting a doomsday scenario: there is talk of a "crisis" in classical music, with orchestras going bankrupt, opera houses in deficit and a shrinking group of high-earning dinosaurs.

The reality is less sensational – and more complex. Behind its sophisticated exterior, the classical music business is a market – and like any other market, prices are open to negotiation. With their backs to the wall, the more astute orchestras and opera houses have begun to fight back. The Berlin Philharmonic no longer engages the violinist Anne-Sophie Mutter. Herbert von Karajan's former protégée,



they could expect a top fee. Today, 30-year-old Cecilia Bartoli can make £35,000 a night – not by tackling the repertoire peaks of Wagner and Verdi, but the same Mozart, Vivaldi and Handel that every other mezzo can sing.

The whole market has become incredibly hyped, and the purely artistic element is diminished", says the impresario and agent Martin Engstrom. "There's more instant fame, because careers have become media-driven. That's the problem with these mega-concerts – they distort the market by pushing up expectations of what others can earn."

The electronic media boom, and its exploitation by a handful of key players in the music business, goes a long way to explaining the inexorable rise in fees. The careers of big earners are increasingly driven by

because it is not prepared to meet her asking price of £42,500. Bartoli has priced herself out of the Salzburg festival. "Bartoli is a good singer, but she's not worth that sort of money," says Gerard Mortier, the festival's director. "It's time managers can get that sort of money elsewhere, but this is what we can offer: take it or leave it. They all put their foot down."

Some orchestras and opera houses will always break rank – that is the nature of competition – and there is growing evidence of private money being used to plug the gap between available resources and the fee demanded. Bartoli's recent London recital went ahead only because a sponsor came up with the money. Sponsorship also explains why singers like Carreras and Mirilla Frelli continue to appear at the modest-sized Zurich Opera House.

But artists are learning that unless they modify their demands,

they will confine themselves to a very narrow market. "That's why the top range of fees can be misleading," says one leading opera house manager. "People in the business take those figures with a grain of salt – these are figures asked for but rarely agreed. We're increasingly telling agents that it's nice they can get that sort of money elsewhere, but this is what we can offer: take it or leave it. They all put their foot down."

That explains why Domingo and Pavarotti continue to sing at Covent Garden, while Rostropovich still works with the Royal Scottish National Orchestra. Most leading artists appear in London for between 40 and 60 per cent less than they get in Berlin, Paris or New York. "Of course, if you're willing to pay more, people will ask for more," says Clive Gillinson, the LSO's

chairman. "You have to be strict about it. Many of them feel it's important to appear in London, and they want to play with a great orchestra. Initially some find our fees hard to accept, but after discussing it, it's very rare that we can't come to an arrangement whereby both sides are satisfied."

The same applies to the British regional orchestras, which have suffered a bigger drop in purchasing power than their London counterparts. In the 1980s, the Royal Scottish National Orchestra could afford artists of the calibre of Rubinstein and Schwarzkopf. Today its sights are lower, "but I'm happy with next season's programme, because it's repertoire-driven rather than star-driven," says the orchestra's chief executive, Paul Hughes. "We still attract artists like Jean-Yves Thibaudet, Felicity Lott, and

Midori, because they know they'll have a good time here. In music, the people who earn the most are often those who are most driven by money."

Hughes puts his finger on a valid point: the vast majority of musicians do not regard their profession as a way to get rich. Thank goodness for that – otherwise our orchestras and opera companies would quickly disintegrate. When Freud said that musicians were driven by money, sex and fame, he could not have got it more wrong. What motivates them is a quest for wholeness: there is no activity which brings together all aspects of the human personality in the way, and to the extent, that music does. As long as that remains the case, the music will never stop.

Private View, Page XVIII.

Katie Mitchell's staging of Euripides' *The Phoenician Women* – new last October at the Other Place in Stratford-upon-Avon – is one of the finest productions of a Greek tragedy that I have ever seen, and one of the finest of all productions in recent Royal Shakespeare Company repertory.

The play itself, running at slightly over two hours without an interval, is the longest of all the extant Greek tragedies. Retelling the Theban tale of Oedipus, Jocasta and their children, it combines enough different threads of plot to suffice an entire trilogy (some sections of it are textually suspect), but it is this that gives it its strength. At the start, every one of Oedipus's family is still alive. By the end, parents have lost children, children have lost parents, a sister has lost her mother and two brothers. The beauty of Mitchell's production is the eloquent restraint with which she handles this.

It is moving to watch the stillness with which scene after scene is played. Jocasta (Lorraine Ashbourne) addresses her two sons, Eteocles (Sean Murray) and Polyneices (Deirmit Kerrigan), who are tragically at war with each other, and the tension between the three of them becomes memorable because of the fixed triangle they describe onstage. Eteocles, who will not share the throne with his brother and who claims tyrannically to power, stands at a greater distance from the other two. Polyneices, who has only spared Thebes during a truce, stands with his body turned at a defensive angle from his brother; and Jocasta, as she puds and urges them both to get the illusory charm of her, opens her body to both. Gdy language throughout is grilling. Reunited with her grandson Polyneices, who embraces him with due degree of embarrassing light,



Tragedy at its finest: a scene from Katie Mitchell's superb production of Euripides' 'The Phoenician Women'

Theatre/Alastair Macaulay

A bright new era for Greek drama

physical intensity where maternal instinct enters into the erotic. Full-arm gestures are sometimes used – gestures of truly classical economy, suffused with both intensity and spontaneity, and full of expressive beauty.

The problem with modern stagings of Greek tragedy has usually been musical: how do you bring off the choruses? But Claire Hughes's music here – like Mike Sands's for the Gate's excellent triptych of Euripides plays, *Agamemnon's Children* last year – makes me hope that we may be entering a bright new era for Greek drama. Metre, polyphony, speech, chant and song are beautifully blended in idioms drawn from Eastern Europe

and the Near East, different in a sense of folk tradition, of ritual involvement at its most open-spirited.

Within the group, we are frequently aware of the individual contributions. I am especially haunted by one tenor voice, tracing a marvellous muezzin-like vocal line during the third part of the second chorus and some repeated calls, swelling on one high note and then descending, with a beautiful portamento, into a hushed conclusion. Liz Ranken's movement – though metrically too simple for Euripides or for this music – is absolutely in the same ritual, simple, fresh style.

The sense of ritual is further refreshed by the way in which

Mitchell has most of the soloist actors, changing their costume and make-up, join the chorus when their acting scenes are over. And yet – although we recognise amid the chorus the actors who have previously been playing Antigone, her slave, Polyneices, Eteocles, and others – the drama stays new, and we believe that the chorus wants to know what will happen next. Since they do, so do we.

The translation, by David Thompson, has the immediacy and modernity of Euripides. In several details, it is questionable – it adds a far stronger suggestion, for example, that Jocasta prefers Polyneices to Eteocles than I can see in Euripides – but its spirit carries

the staging. Although the pronunciation of Greek names is always a dodgy area, I do not know why the actors choose to pronounce the "el" of "Polyneices" as if it were bisyllabic. And I know that it is incorrect to pronounce "Colonus" as if its second "o" were short.

I concentrate on style here because a play like *The Phoenician Women*, recycling so much Oedipal material, would get nowhere if it were performed in a style that was not persuasive. As it is, this production makes an exceptionally strong case for this play. I love the human details it supplies as it prepares to pile woe on woe; the quasi-Homeric scene in which the young Antigone and her slave survey the

warriors from the city walls has a surpassingly touching lyricism.

All the actors do very well: through Lindberg's characteristic piling-up of vital fragments, pressing one upon another in lusty profusion.

Since he joined Boulez's IRCAM establishment a few years ago, Lindberg has come to love computers. Different composers make different uses of them; his preferred method is to set the computer to generating patterns with specific constraints (in line with his original instructions), within which he gets on with fervent composing. He finds the computer helpful with "laying" the music in his current style, which involves running on distinct but simultaneous planes.

In RSC repertory at The Pit, Barbican Centre, EC2.

Last year the Aldeburgh Festival found itself playing host to a startlingly popular success, the British premiere of Magnus Lindberg's *Aura*. When it concluded, even the zimmer frames were enthusiastically rattled. *Aura* proved to be one of Lindberg's most energy-laden pieces, very loud but also persuasively cogent, on the long-sighted scale of a big Sibelius movement.

A Royal Festival Hall audience should have heard the Philharmonia play *Aura* last Saturday, but funding problems forced the cancellation of the concert – like many another promised orchestral evening on the South Bank this season. The loss was doubly a pity, for Lindberg himself is currently presiding over the South Bank's "Meldown" festival, in which the Philharmonia concert should have been the prize event.

Nonetheless, the South Bank, Aldeburgh and the London Sinfonietta had the collective good sense to commission a new piece from him (or less costly forces). *Engine* had its Aldeburgh premiere last Friday, by the Sinfonietta under Markus Stenz, and can be heard in the Queen Elizabeth Hall this Sunday. It lives up to its title, less by driving rhythms – there is more light-and-shade in the piece than "Engine" suggests – than through Lindberg's characteristic piling-up of vital fragments, pressing one upon another in lusty profusion.

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BOOKS

Down the road to Damascus

Christianity could as well be called Paulianity, argues A.C. Grayling

Until the lions have their historian, says the African proverb, tales of hunting will always glorify the hunter. This truth is exemplified by the Old Testament, which tells us that the earth was apt to open and engulf the opponents of Moses whenever they disagreed with him. Needless to say, it was Moses (or one of his followers) who recorded his enemies' discomfiture.

Unusually, a somewhat different situation prevails among the founding documents of Christianity, a religion whose habits of internal divisiveness (there are currently over 20,000 Christian denominations) began within a few years of the Crucifixion.

This first instalment of Christianity's fissiparous history is enshrined in St Paul's Epistles and St Luke's Acts of the Apostles. The early church of Jerusalem was a congregation of Jews who observed the Law and expected converts to Christianity to do likewise.

Paul preached to the Gentiles, and said that Christ had replaced the Law; Gentiles could convert yet retain their foreskins and accustomed diets. Paul was the first theologian; his Epistles are the first Gospel. The faith he preached could as well take the name Paulianity as Christianity.

It is the life, travels and endeavours of this chief begetter of Christianity that Father Jerome Murphy-O'Connor relates. Murphy-O'Connor is a Professor of New Testament studies at the Ecole Biblique et Archéologique Française in Jerusalem.

He is a scholar of formidable parts. He commands a knowledge of all the relevant ancient tongues, all the theology required to tease out an account of Paul's life from the slender and ambiguous evidence. Following a lead set by scholars of Tübingen in the 19th century, Murphy-O'Connor trusts Paul's Epistles first and Luke's Acts a long way second, for he has reservations about Luke's desire to smooth the early history of

PAUL: A CRITICAL LIFE
by Jerome Murphy-O'Connor
Oxford University Press £35, 416 pages

to take root and, later, to flourish.

Murphy-O'Connor is known for his excellent companion guide, *The Holy Land*. That book has reached a wide public; this one aims at a much more specialised readership. He plunges straight into scholarly minutiae, which he handles with great skill, in order to test every claim and surmise about Paul, from his date of birth to the circumstances of his martyrdom in Rome.

Murphy-O'Connor is by no means hesitant about coming to conclusions; his datings are revisionary, and he crosses swords not only with other scholars but with that most accomplished of sainly propagandists, Luke, every time he suspects him of quietly rearranging history.

On Murphy-O'Connor's interpretation of the clues, Paul was Jesus's contemporary. He was born in 6BC, underwent his Damascus Road conversion in 33AD, had his fatal conference about circumcision with the fathers of the Jerusalem church in 51AD, and was beheaded in Rome in 67AD. His ministry lasted over 30 years and took him to Spain and back.

Murphy-O'Connor's datings differ by anything between one and a few years from the datings derived by others; each adjustment is argued in great detail. The chief interest of the book lies in its trackings of the historical, theological, literary and linguistic evidence for that detail.

Murphy-O'Connor offers no preamble and no summaries. The book reads like the

transcript of an especially intricate action for tort in the civil courts. It makes fascinating reading as a display of ingenuity and forensic skill, by whose help Murphy-O'Connor embroiders a wonderfully delicate fabric of suppositions. It is the kind of book other scholars will delight to debate.

But it is not a biography in the ordinary sense; we are

offered a speculative account of a man and a mind at work, but nothing personal, nothing psychological; and this is hardly surprising, because the evidence is exiguous, and consists of material largely propogandistic in nature.

One thing this book reminds us is that despite the expertise that has long been lavished on New Testament studies, and despite the definite advances

Murphy-O'Connor offers here, we know precious little about the chief figures in the origins of Christianity.

Where faith will not reach, guesswork - however refined - has to suffice. But reveals enough, as Murphy-O'Connor's argument also (and perhaps unintentionally) shows, to make those origins look remarkably human after all.

Some years ago I received one-and-a-half telephone calls intended for Quentin Crisp. The first was from a highly elocuted BBC girl who, with no preamble, wanted to fly me to the Edinburgh Festival, adding that she had so much enjoyed meeting me at a party the night before. I had to tell her that I had been at no such jollification, and was already going to the festival for these pages, and did she mistake me for someone else? She hung up without further ado. The half-call was from a manic publicist who, with equal lack of social nicety, said "Hello, Clinton, we wonder if you'd like to...". I shall never know more since I told him instead what I would like him to do, and hung up.

(Clinton Crisp was an intriguing half-way-house name, though, and maybe the call was for me anyway). I mention these brushes with Quentin Crisp's fame because they catch something of the flavour of his life as recorded in *Resident Alien*, a collection of entries from his New York diaries. As he says in an introduction: "I have gone into the fame business. My agent tells me I can't do fame, but I can". And, indeed, he does, by accepting every junk-mail invitation to press shows and gallery openings where there may be peanuts and champagne - or what passes for bubbly on those nasty occasions - and by answering every telephoned or postal plea for advice or participation in film or TV show or lecture. Yea-saying, in Crisp's terms, means both his attitude to life - which is brave - and his willingness to turn up at all and every gathering on the peanut circuit, prospecting for free food and drink. His diet must be erratic, fiercely unhealthy, and it sustains his 86 years excellently well.

His life is, I suppose, as bizarre as any in New York, where bizarre is the norm. From his base in a single room in a Lower East Side lodging house, the telephones ringing at all hours of day and night with calls from known friends and unknown maniacs (my one-and-a-half calls a sampling of this), Quentin Crisp ventures like some ancient but indomitable explorer into the New York jungle, saved from its dangers by his innocence and good nature. He is also often

RESIDENT ALIEN
by Quentin Crisp
HarperCollins £16.99, 322 pages

flooded again. Aprils mot de l'heure.

As a portrait of a manic and unstable society that co-exists with so many others in New York, these diary entries are revealing. Quentin Crisp is oddly obliging, observant, literate. Some mannerisms - the once-amusing twice less-amusing third time damned-boring habit of calling everyone Mr or Miss, whence "Mr Shake spears", "Miss Madonna" - lead to a four-fold manner or the page which wears very thin. And the journal is brim full of nonentities, who escort Crisp hither and thither or take him to parties. ("Come with us," she cried. "Free food!"). There is a price to pay even for gallery managers.

Yet Quentin Crisp is an extraordinary figure, living his life fully according to his lights, and making people happier than they might otherwise have been. He is the Julie Goucourt of the vapid world through which he makes his charmed way. I hope, incidentally, that the BBC speakerette eventually got in touch with him about the Edinburgh jaunt. He would, of course, have accepted the invitation and had a whale of a time. Clinton's possible adventures must forever be unknown.

Clement Crisp

tion of those clauses that spurred the calls for, and eventually the achievement of, democracy in eastern Europe.

Kennan disliked party politics on the grounds that they are a "luxury" and too partisan. He would like a body of senior statesmen, "qualified by training, experience and temperament" to advise governments on the things they must (his italics) do. If this sounds faintly Olympian, it is. There is a streak of superiority in Kennan which is not always pleasant. Strange that, as a historian, he can sometimes write so well and perceptively. See, for instance, the essay comparing the Balkan Wars before 1914 to those of the 1990s.

One-sided relationship with history

Malcolm Rutherford discusses the controversial views of an eye witness and historian

If you look at the political and military history of the 20th century as a whole, the year 1914, which brought the outbreak of the first world war, is not a bad starting point; and the year 1989, which brought the end of the Soviet Union, is an appropriate time to begin drawing conclusions - especially if you tend to see the century in terms of relationships between the US and Russia, the Soviet Union, and then Russia again.

As an eye witness and historian, George Kennan is the sole survivor on either side. He was 19 in 1914 and 85 in 1988. As a diplomat in Moscow, he was aware of the Stalinist purges before the second world war.

Probably his greatest claim to fame is that he was the author of an article, signed X, in *Foreign Affairs* in 1947. It outlined the policy of containment, which said in essence that while the Soviet Union should be stood up to, its leaders did not want war. It was not an ideological threat.

Kennan has stuck to his line ever since, and, to a large extent, has been justified. Yet in this book of essays and speeches, delivered between

1982-1985, it looks as if at times it has been a close run thing. One would not wish to accuse him of arrogance, but humility is not his strong point. Kennan comes near to saying that in matters Russian he was practically always right and other Americans were practically always wrong.

Take his categorical remark on the cold war, for example: "Nobody won it". There is no need to go about what happened, yet it is hard to deny strated a willingness to resist without a nuclear weapon being fired. This happened under the Reagan administra-

tion, for which Kennan has not said much word to say.

There are other peculiarities of judgment. Kennan writes that "the relating of military power to political purpose" has never been an American forte. True, the Americans have made mistakes, yet the experience of NATO over the years suggests that military power and political purpose went hand in hand rather well.

In the past Kennan would never have rearmed West Ger-

many and would have kept Japan "permanently disarmed and politically neutralised". That might have seemed ideal at the time; there are doubts about how far it would have been practical. More recently, when the Berlin Wall was coming down, Kennan said that there was no reason for German unification and "not the time to raise that subject". He has a strange record on human rights. No doubt he is in favour, at least where they

Rereadings/Nigel Spivey

Deep in the mud of the Mississippi

Old man river. He keeps on rolling. By the time he reaches New Orleans, the big Mississippi yields to the late-20th century, and lets himself be plied by purely touristic paddle-steamer. But go upstream beyond the plantation country of deeper Louisiana, and you still catch residual whiffs of Huck Finn's world. Shanty shacks, rattlesnakes, tobacco quids; convulsive prayer-meetings. Slavery may have gone, and the blood-feuds faded, but this remains redneck territory, where the old timers still peddle nuggets of local wisdom.

Nostalgia for working steamboats apart, there is now a better reason for rereading Mark Twain's *Huckleberry Finn*. The only comprehensive edition has just been published by Bloomsbury (£15.99), and this contains parts of an original manuscript which have lain hidden for a century. I first read the book when in my early teens, so I suppose I was expecting to resurrect boyhood reveries of joining Huck's picaresque antidote to "civilization" - mucking about in skiffs, catching fish for breakfast, smoking under the stars. The new edition encourages such whimsicality

by printing the dinky vignettes from the 1884 publication. But those pictures make, as I now see, a false impression. *Huckleberry Finn* is not "Homeric", as critics like to declare; but it is a terribly serious story.

The extent of the seriousness struck me when I reached the later chapters, when Twain reintroduces Huck's old friend from a previous book, Tom Sawyer. What a grating reappearance that is. Tom immediately imposes his seductively juvenile sense of mischief upon the story. One reason why one resents this is because it is playing around with a man's life - the fate of Huck's raft companion, Jim the runaway slave.

But it also jars because Huck has grown up. Since faking his own riverbank death to escape a savagely drunken father, Huck

has seen it all. Brawls, lynch-mobs, tarring and featherings, and several murders and shootings. In between, he has been privy to a series of outrageous stings and swindles. And in lieu of his wretched father (whose corpse, it turns out, is one of those that trailed the journey), Huck has received affection from hardly anyone save a man whom he has been taught to despise - Jim.

Of course the comedy is still there, chiefly provided by the two con-men who board the raft, one claiming to be a king ("the late Dauphin"), the other the Duke of Bridgewater (thence "Biggwater") throughout. And one can see how Twain's ear for distinctly modulated Southern drawls allowed him to exploit the rich comic possibilities simply embedded in vernacular expressions. But the newly-inserted passages of text - which Twain had abandoned for fear of disturbing too many readers - confirm my feeling on revisiting the book that there is far more indignation here than I realised.

Time and again Twain uses Huck as a register of the hypocrisy of the people who

live in what is still known as the "Bible belt". The king and the duke, with their "missionary" antics, ditching out "soulbutters and hogwash", are the most obvious vehicles of satire. But the text rankles with angry ironies, of which the greatest is that these gospel-studious folk for all their "brother" and "sister" that are practising gross breaches of Christian principles by relegating negroes to sub-human status. Here is Huck, telling a solicitous aunt that there has been an accident on the river: "Good gracious! Anybody hurt?"

"No, m'm. Killed a nigger."

"Well, it's lucky, because sometimes people do get hurt."

Which brings us to the "N word". Just as some librarians have banned Emd Hinton's work because it contains "gollivaga", so *Huckleberry Finn* has been censored for its ubiquitous idiomatic use of the word "nigger".

This seems as crass as political correctness ever gets.

In my rereading of *Huckleberry Finn*, it is a powerful manifesto for equal rights. The "niggers" consistently act with loyalties



Fiction/Anthony Thorncroft Discreet lives

It is always a relief to escape from the in-your-face sensationalism of the contemporary novel into the meticulously controlled landscape of Anita Brookner, where fastidiousness is a virtue and the worst thing characters can lose is their self-respect.

Nothing ever changes. Alan Sherwood, the hero, or rather victim of Brookner's latest work, *Altered States*, is instantly recognisable from her earlier books. A loner, he lives in a north London mansion flat, enjoys walking through the park, eats and dresses discreetly, loves Paris, is conscious of his parents, and is born to suffer for his self-absorbed meticulousness. A Brookner hero is able to explain his conduct to the reader for page after dense page, but quite incapable of having a normal conversation recognises Jim's nobility.

But the politically correct librarians are perhaps half-right. *Huckleberry Finn* is not a book suitable for children. To reveal it as an adult is to be fully aware of the truth that one cannot step into the same river twice - least of all the urgent mudbath that is the Mississippi.

befit middle age. But feelings are kept under control; outward appearances are preserved; duty is done.

Why do we buy it, time after time? The writing has a melancholic languor which is quite enchanting. There is the hint of thunder in the wings giving a pleasurable thrill of menace, not least in the opening sequence where Alan thinks he

ALTERED STATES
by Anita Brookner
Jonathan Cape £14.99, 220 pages

glimpses a middle-aged Sarah on a provincial Swiss railway station (a quintessential Brookner location). Such well-ordered lives by nice people have a nostalgic charm. The very ordinariness of the characters strikes a chord.

But it is the completeness of

makes it irresistible - occasionally and in small helpings.

It is a tiny slice of north London bourgeois existence, but the skill with which Brookner evokes what is, admittedly, very much her own environment, is exquisite. *Altered States* may not win her many new admirers, but it will give her fans their usual fix.

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Joyce's notes

INTERNATIONAL ARTS GUIDE

What's on in the principal cities**■ ADELAIDE****EXHIBITION**

Art Gallery of South Australia Tel: 61-2-2077000
 ● William Paley Collection of Post-impressionism and Early Modernism: this exhibition of works from the Paley Collection of the Museum of Modern Art, New York, traces the development of modernism out of late impressionism. Artists represented include Cézanne, Bonnard, Gauguin, Picasso, Manet, Matisse, Braque, Renoir and others; from Jul 5 to Aug 18

■ AMSTERDAM**CONCERT**

Concertgebouw Tel: 31-20-5730573
 ● Radio Filharmonisch Orkest: with conductor Hans Vonk and baritone Seraf Leiferke perform works by Lyadov, Borodin, Rachmaninov, Verdier, Giordano, Wagner, Tchaikovsky and Mussorgsky. Concert celebrating the 50th anniversary of the Radio Filharmonisch Orkest; 8.15pm; Jul 4

EXHIBITION

Stedelijk Museum Tel: 31-20-5732911
 ● John Chamberlain: Recent work on goads; performances: exhibition of sculptures and photographs created between 1967 and 1985 by the American artist John Chamberlain; to Jun 30

■ BARCELONA**EXHIBITION**

Fundació Antoni Tapies Tel: 34-3-4670315
 ● Craig Horsfield: exhibition of photographs by the British artist Craig Horsfield, most of which were made in Barcelona on the occasion of this exhibition; to Jul 28

■ BERLIN**MUSICAL**

Deutsche Oper Berlin Tel: 49-30-3438401
 ● The Phantom of the Opera: by Kopit and Yeston (dialogues in German). Directed by Chuck Abbott and Phil McKinley. The cast includes Matthew Shepard and Susan Pfeiffer; 8pm; Jun 30

■ BIRMINGHAM**CONCERT**

Symphony Hall Tel: 44-121-2020200
 ● The Musicals: the City Concert Orchestra and full chorus with conductor Adrian Jackson, special guest host David Jacobs and celebrities from London's West End in a concert celebrating 50 years of musical theatre milestones; 7.30pm; Jun 30

■ BIRMINGHAM USA**EXHIBITION**

Birmingham Museum of Art Tel: 1-205-2542566
 ● The First Emperor: Treasures from Ancient China: in 1974, farmers digging a well in China stumbled upon the vast terracotta army that had been buried with the first emperor, Qin Shihuangdi, 2,200 years ago. For the first time in the US, 14 of these life-size tomb figures are on display. The show includes about 80 objects from the Qin dynasty (221-206 BC); from Jul 1 to Sep 1

■ BOLOGNA**EXHIBITION**

Galleria d'Arte Moderna Tel: 39-51-502859
 ● Sean Scully: solo exhibition featuring paintings executed during the last 15 years and a selection of pieces from the early 1990s documenting the intact vitality of Sean Scully's work; to Sep 1

■ BONN**OPERA**

Oper der Stadt Bonn Tel: 49-228-7281
 ● Die Fledermaus: by J. Strauss. Conducted by Baldo Podio and performed by the Oper Bonn. Soloists include Karsen, Hoffmann and Mohr; 7pm; Jun 30; Jul 3 (8pm)

■ BOSTON**EXHIBITION**

Museum of Fine Arts Tel: 1-617-267-9300
 ● Lithography's First Half Century: The Age of Goya and Delacroix in celebration of the 200th anniversary of the invention of lithography by Bavarian actor and playwright Alois Senefelder, the exhibition examines lithographs by artists such as Delacroix and Goya. Works by lesser known artists and prominent artists not usually associated with the medium are also displayed; to Jul 7

■ BRUSSELS**EXHIBITION**

Paleis des Beaux-Arts Tel: 32-2-6078466
 ● L'art en résistance. Peintres belges de l'entre-deux-guerres: exhibition of works by Belgian artists, created between the wars. The display includes some 200 paintings and drawings by artists such as Max Beckmann, Otto Dix and Georges Grosz, giving an overview of German art in this period. The works come from the collection of Marvin and Janet Fishman; to Sep 8

OPERA

Théâtre Royal de la Monnaie Tel: 32-2-2291200
 ● Carmen: by Bizet. Conducted by Bertrand de Billy and performed by the Symphony Orchestra and Choir a Monnaie. Soloists include César



Ray Charles, performing at the Copenhagen Jazz Festival

Hernández, Graciela Araya, Mark S. Doss and Barbara Bonney; 3pm; Jun 30

■ CAMBRIDGE**EXHIBITION**

Fitzwilliam Museum Tel: 44-1223-332900
 ● Surimono by Hokusai and his Pupils: exhibition of "surimono" by the Japanese artist Hokusai and his pupils from the museum's collection. The word "surimono" means literally "printed matter" and was a term applied to prints of especially fine quality, with precious printing effects, which were privately issued in small numbers as New Year cards, invitations or to commemorate particular events; to Jun 30

■ CHICAGO**EXHIBITION**

Terra Museum of American Art Tel: 1-312-684-3393
 ● A Shared Heritage: Art by Four African Americans: this exhibition of 20th century African-American art features works by William Edouard Scott, John Wesley Hardwick, Hale Aspasia Woodruff and William Majors. The exhibited works include 65 paintings, watercolours, drawings, collages and graphics; to Jul 7

Shubert Theater Tel: 1-312-977-1700
 ● How to Succeed in Business Without Really Trying: created by Frank Loesser and Abe Burrows. Directed by Dale McAnuff. The cast includes Ralph Macchio; Tue-Thu 7.30pm, Fri, Sat 8pm, Sun 8pm, Wed, Sat also 2pm; to Sep 23 (Not Mon)

■ COPENHAGEN**EXHIBITION**

The Royal Cast Collection Tel: 45-39 91 21 26
 ● Inspiration In Plaster: Antiquity and the Danish Golden Age: in the heyday of the Danish Golden Age (1820-1850), the art of painting played an active role in the shaping of bourgeois values and norms. The new norms included a change in the view of the human body. The Royal Academy's collection of plaster casts of Greek and Roman nude statues was an important inspiration for the Golden Age artists. This exhibition focuses on the peculiar circumstance that the quasi-religious idolisation of the naked human body by a remote ancient culture could influence people's attitude to the naked body; to Aug 11

Copenhagen Jazz Festival Tel: 45-33-93 20 13
 ● Copenhagen Jazz Festival: the festival, which always starts on the first Friday of July, began in 1979 following the Tivoli Jazz Festival. Some 450 concerts by Danish and international jazz musicians will run all day in clubs and small cafés in and around Copenhagen. Performances will range from New Orleans, swing and fusion to new and experimental jazz. Performers this year include Michael Portencourt (Jul 5), Ray Charles (Jul 6), the Svend Asmussen Quartet (Jul 7), Niels Henning Ørsted Pedersen and the Jan Garbarek Quartet (Jul 8) and Wayne Shorter and the Horace Silver Septet (Jul 13). Coinciding with, but not as part of the festival the multinational jazz-concert with 30 young musicians from 25 nations will be held at the Holmen and the Thivoli-jazz on July 5 and 6. These concerts are held in connection with the European Broadcasting Union's annual meeting for heads of jazz; from Jul 5 to Jul 14

■ DETROIT

EXHIBITION

The Detroit Institute of Arts Tel: 1-313-833-7963
 ● Surrealist Vision and Technique: Drawings and Collages from the Pompidou Center and the Picasso Museum, Paris: this exhibition includes collages, automatic drawings, "decalcomania" and collective drawings by artists associated with surrealism in Paris during the 1920s and 1930s such as Max Ernst, Man Ray, André Masson, Pablo Picasso and Salvador Dalí; to Jul 7

■ DUSSELDORF**EXHIBITION**

Kunstmuseum im Ehrenhof Tel: 49-211-8992460
 ● Otto Piene - Retrospective: retrospective exhibition devoted to the work of the German artist Otto Piene (b. 1928). The display gives an overview of the diverse aspects of his

work, in which the themes of light and fire play an important role. The show includes paintings, drawings, sculptures and inflatables; to Aug 11

■ FRANKFURT**OPERA**

Das TAF im Bockenheimer Depot Tel: 49-69-21237666
 ● L'Historie du Soldat: by Stravinsky. Conducted by Mathias Duleck and performed by the Oper Frankfurt. Soloists include Karin Romig, Gottfried Breitkreis, Martin Lammerhirt, Thomas Stache and Kalle Mews; 8.30pm; Jun 28, 30; Jul 1, 3, 5, 6

■ GENEVA**EXHIBITION**

Petit Palais-Musée d'Art Moderne Tel: 41-22-3461433
 ● Les Neo-impressionnistes: exhibition of some 70 works from the neo-impressionist collection of the Petit Palais. The display includes works by artists such as Albert Dubois-Pillet, Maximilien Luce, Charles Angrand, Van Rysselberghe, Van de Velde, A.J. Heymans, Henri Martin, Pietro Mengarini, Signac, Gauguin, Lautré and H. Pissarro; to Sep 30

■ GLASGOW**POP-MUSIC**

Royal Concert Hall Tel: 44-141-3326633
 ● Dionne Warwick: performance by the American singer; 7.30pm; Jul 5

■ HOUSTON**EXHIBITION**

Museum of Fine Arts Tel: 7-085-7300
 ● Jackson Pollock: Works on Paper: exhibition of 34 drawings created between 1939 and 1958 by Jackson Pollock, one of the leaders of abstract expressionism. All of the works come from the Pollock estate, and most are sketchbook or working drawings that provide insight into Pollock's development in this period. They were executed during the time he was in Jungian analysis and represent a visual diary of his dreams, insights, and visions; to Jun 30

■ LONDON**CONCERT**

Royal Festival Hall Tel: 44-171-9042422
 ● The Philharmonia Orchestra: with conductor Kurt Sanderling and pianist Alfred Brendel perform works by R. Schumann and Beethoven; 7.30pm; Jun 28

■ MOSCOW**EXHIBITION**

State Pushkin Museum Tel: 7-085-20367847
 ● The Treasure of Troy: exhibition of 280 gold and silver objects excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873. It was Schliemann's belief that these objects, including diadems, rings, necklaces and goblets, once belonged to the Trojan king Priam, but later research has proved this to be untrue. The finds were brought from Berlin to Russia by the Red Army at the end of the second world war; to Apr 1997

■ MUNICH**CONCERT**

Philharmonie im Gästeg Tel: 49-89-4808625
 ● Die Bassariden: by Henze. Concert performance conducted by Gerd Albrecht and performed by the Münchner Philharmoniker. Soloists include Celina Litsky and Cornelia Wulff; 8pm; Jul 1, 2, 3, 5

■ NANTES**EXHIBITION**

Musée des Beaux-Arts de Nantes Tel: 33-40 47 65 65
 ● Henry Moore - L'Expression: première: exhibition featuring about 180 drawings, watercolours and drawings by the 19th century American painter. The display, giving an overview of Moore's work in more than 20 years, is organised chronologically in thematic groupings that include depictions of the Civil War, genre scenes celebrating rural America in the 1870s, heroic images of seaside life, seascapes of Prout's Neck, Maine, where the artist settled in 1883, and the tragic painting from his final years; to Sep 22

The Piermarini Library Tel: 1-202-885-0008
 ● Being William Morris: A Centenary Exhibition: exhibition seeking to show a picture of William Morris in his various manifestations and careers: poet, novelist, illustrator and collector, among others; to Sep 1

■ NEW YORK**EXHIBITION**

The Metropolitan Museum of Art Tel: 212-587-8500
 ● Winslow Homer: retrospective exhibition featuring about 180 paintings, watercolours and drawings by the 19th century American painter. The display, giving an overview of Homer's work in more than 20 years, is organised chronologically in thematic groupings that include depictions of the Civil War, genre scenes celebrating rural America in the 1870s, heroic images of seaside life, seascapes of Prout's Neck, Maine, where the artist settled in 1883, and the tragic painting from his final years; to Sep 22

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■ ORANGE**EXHIBITION**

Chorégies d'Orange Tel: 33-90 34 24 24
 ● Chorégies d'Orange: annual open-air summer opera festival in the Provence, founded in 1971 by Jacques Bourgois and Jean Daniel. Performances are given at the Roman amphitheatre, which can seat some 18,000 persons. This year's highlights include Mozart's Don Giovanni, featuring Kathleen Battle, Casella, Ruggero Raimondi, Ferruccio Furlanetto and Bruce Ford, and Verdi's La Forza del Destino, with Michele Cidrì, Keith O'Brien, Paolo Coni and Roberto Scanduzzi; from Jul 6 to Aug 2

■ OTTAWA**EXHIBITION**

National Gallery of Art Tel: 1-202-737-4215
 ● Jan Steen Painter and Storyteller: this exhibition of about 45 paintings by Jan Steen examines the range of subjects and styles in this Dutch artist's body of work. There has been no important exhibition of Steen's work since the retrospective at the Mauritshuis in The Hague in 1958; to Aug 18

● Thomas Eakins: The Rowing Pictures: the rowing pictures of the American realist painter Thomas Eakins (1844-1916), universally regarded among the masterpieces of American art, are the focus of this exhibition; to Sep 29

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■ PARIS**EXHIBITION**

Centre Georges Pompidou Tel: 33-1-44 78 12 33
 ● Kienholz: A Retrospective: this exhibition presents the full range of Kienholz's own work and his 20 years of collaboration with his wife and partner, Nancy Reddin Kienholz. More than 100 pieces, ranging from intimate objects to house-scale environments, are displayed; from Jun 30 to Nov 3

The J. Paul Getty Museum Tel: 1-310-459-7811
 ● 19th Century French Drawings: exhibition of 25 drawings by 19th century French masters from the museum's collection, with examples from neo-classicism through post-impressionism, including works by Cézanne, Delacroix, Gericault, Ingres, Millet, Manet and Degas; to Aug 25

■ ROMA

EXHIBITION

Teatro dell'Opera di Roma Tel: 33-6-481601
 ● Festival dell'Opera a del Balletto: annual open air festival held at the ruins of the Roman baths of Caracalla. This year's edition features performances of La Bohème, Romeo et Juliette and Andrea Chenier; from Jul 4 to Aug 25

■ MADRID

EXHIBITION

Fundación Colección Thyssen-Bornemisza Tel: 34-1-2403944
 ● From Cassat to Kandinsky: Master Painters from the Carmen Thyssen-Bornemisza Collection: this exhibition features a selection of about 90 works from the Baroness



James Morgan

The media put their foot in it

The week Jean-Marie Le Pen unhinged his mind and the Germans worried about the Queen's subjects

Racism, xenophobia, aggression and madness were the themes of the week, thanks to those twin pillars of European solidarity and comradeship - football and a summit. Surprisingly though, the *Frankfurter Allgemeine Zeitung* was the only paper I saw which made explicit the link between last weekend's summit, and the associated bovine question, and the parallel Euro-football championship.

It was almost a good read: "When our brave heroes score goals, the pure political pragmatism of governments and their genuine search for consensus and compromise are the losers. Is it only an accident that the British, in the Anglo-Saxon tradition of self-righteousness, have

now unleashed a kind of limited war against the Continentals? When the whistle blew for the kick-off on the island, the game had nothing to do with partnership, mutual respect or even fair play. It sounded like old times: Britain against Europe."

The *FAZ* wrote of mad cows and such like, and said there had been no debate between gentlemen. "Just in order to gain points with Eurosceptics, [the British leaders] and Rikhard tried to unleash a noisy war. They accepted that ancient enmities would be evoked in British public life eventually to emerge on the football field."

Then the *Daily Mirror* produced its now notorious front page, "Achting Surrender", and *The Sun*

called for a "Fritz Blitz" to trounce the Anglo-German football semi-final. The *Mirror* was thought to have gone beyond the bounds of decency, although it said little different from much of what had gone before.

Editorials and columnists in most of the press had spent weeks inflaming emotions that scarcely conform to the national ideals of tolerance, phlegm and decency - not that these today are the first images that leap to Johnny Foreigner's mind when the word "British" is uttered.

In France, meanwhile, the leader of the National Front, Jean-Marie Le Pen, unhooked his mind, too, and stated that members of the French football team were not

patriotic because they didn't sing the "Marseillaise", and they weren't French anyway. It was "unnatural to get players from abroad and baptise them as the French team". All this just after the team had qualified for the semi-final.

It seems that many French national footballers come from distant lands but the row which ensued put Le Pen on the defensive: were not the overseas territories part of France? *France-Soir* wondered if Le Pen really wanted immigrants to be integrated into French society. "He prefers them to be illegal, drug dealers and assassins."

As the tide of lunacy was turned in France, the papers in Britain started attacking the "wave of

xenophobia" in which they themselves had participated in the weeks of beef and soccer. By this time, however, the damage had been done.

The neutral *Neue Zürcher Zeitung*, in its report on England's fortunate victory over Spain last week, set out "to illustrate the strivings of the English media for historical comparisons based on military terminology and chauvinism". It wrote of the sinking of the new "Armada" which had plunged England into new fantasies. And that became its headline: "England swims in fantasy".

Eventually the German papers were goaded into reply by the Achting and Blitz front pages: "God save the Queen from her own

subjects," wrote the *Express* from Cologne, arguing that events in England were proof that humans could catch mad cow disease.

If, as has been suggested in this newspaper, European governments regard any serious dealings with the British government as a waste of time, and if their peoples see the British as deranged, that is cause for regret. Next week we shall ponder the sad fact that Britain is unable to exploit the favourable position which it enjoys today as the Franco-German partnership tries to confront the failure of its shared economic and social model. They should want to hear us but they won't listen.

■ James Morgan is BBC World Service economics correspondent.

Peter Aspden

For humour read irony



What makes something funny? It is a tough question to answer right now. Tabloid newspapers have taken advantage of a sporting occasion to make a series of jokes about the second world war, in which 50 million people died. Offensive, xenophobic, likely to incite (as debated by my colleague James Morgan)? Or just a bit of a laugh?

The Sex Pistols are in the middle of their "Flithy Lucre" re-union tour. Their sole, self-confessed aim is to take people's money. Nothing more, nothing less. But they sing of anarchy and abortion, and other grim matters wholly unconducive to the red-blooded capitalism to which they have converted. Tasteful? Hypocritical? Or just some harmless fun?

There is a received wisdom which says that humour has to hit targets to be truly effective. That scabrous comedian of post-war America, Lenny Bruce, used his act to launch poisonous attacks on conventional bourgeois morality. Bruce, working in a satirical tradition which stretches back to Aristophanes, made inflated claims for the role of the humorist - "today's comic is not doing an act, the audience assumes he's telling the truth" - but the subjects of his attacks flinched. Bruce met a sticky end; but so did conventional bourgeois morality.

On the other hand, there is the view that the very best humour does not, indeed should not, offend: it appeals to timeless values which are universally shared. Nobody can find complaint in Charlie Chaplin. A pratfall is a pratfall, from Perilham to Polynesia.

In politics, culture and advertising, the sharp quip rules. But it is, of course, a cop-out

Why, the argument runs, is Mickey Mouse so popular? Here is a character that is not humorous, not controversial, in fact not interesting in any way at all. He has a tedious girlfriend who speaks unbearable banalities in high-pitched hysterics, and a sleepy, stupid dog. What exactly is so funny? Compare him with Bugs Bunny, full of mischief and malice, or Donald Duck, caught between troublesome nephews and an avaricious uncle, and Mickey seems unbearably bland. There is no basic comic premise to his life at all, no existential intrigue. Yet who remains the most popular, recognisable figure in the whole world?

The key to humour lies somewhere between Bruce's barbs and the meaningless mouse. It chooses mostly to drift in a safe refuge of child-like innocence; but occasionally it touches on a nerve which causes the body politic to recoil. Rarely does humour confront an issue outright, but in its injudicious prizing it has a unique quality to cause us to think again.

Thus was the case with those trigger-happy tabloids. The editor of the *Daily Mirror* was forced to apologise to his readers after his rabid references to the war were found to cause offence. In going a step too far, he forced a re-evaluation of boundaries. Where is the line between justifiable patriotism and odious jingoism? It is an important, urgent question, and probably better debated on the front pages of popular newspapers than in a dozy afternoon in the House of Lords.

The Sex Pistols and their gleeful irony is another matter altogether. It is typical of a world which cannot quite make up its mind about certain values, and chooses to play hide-and-seek with them. Commercial exploitation is one of these: the audience knows that the Sex Pistols re-union is a matter of hard cash, and musically unimportant. But the group knows that the audience knows... and so on. All have a good time playing the game, at once elusive and allusive; and humour serves to mask our profound ambivalence on the issue in hand. Show me an ironic stance, and I will show you a confused world.

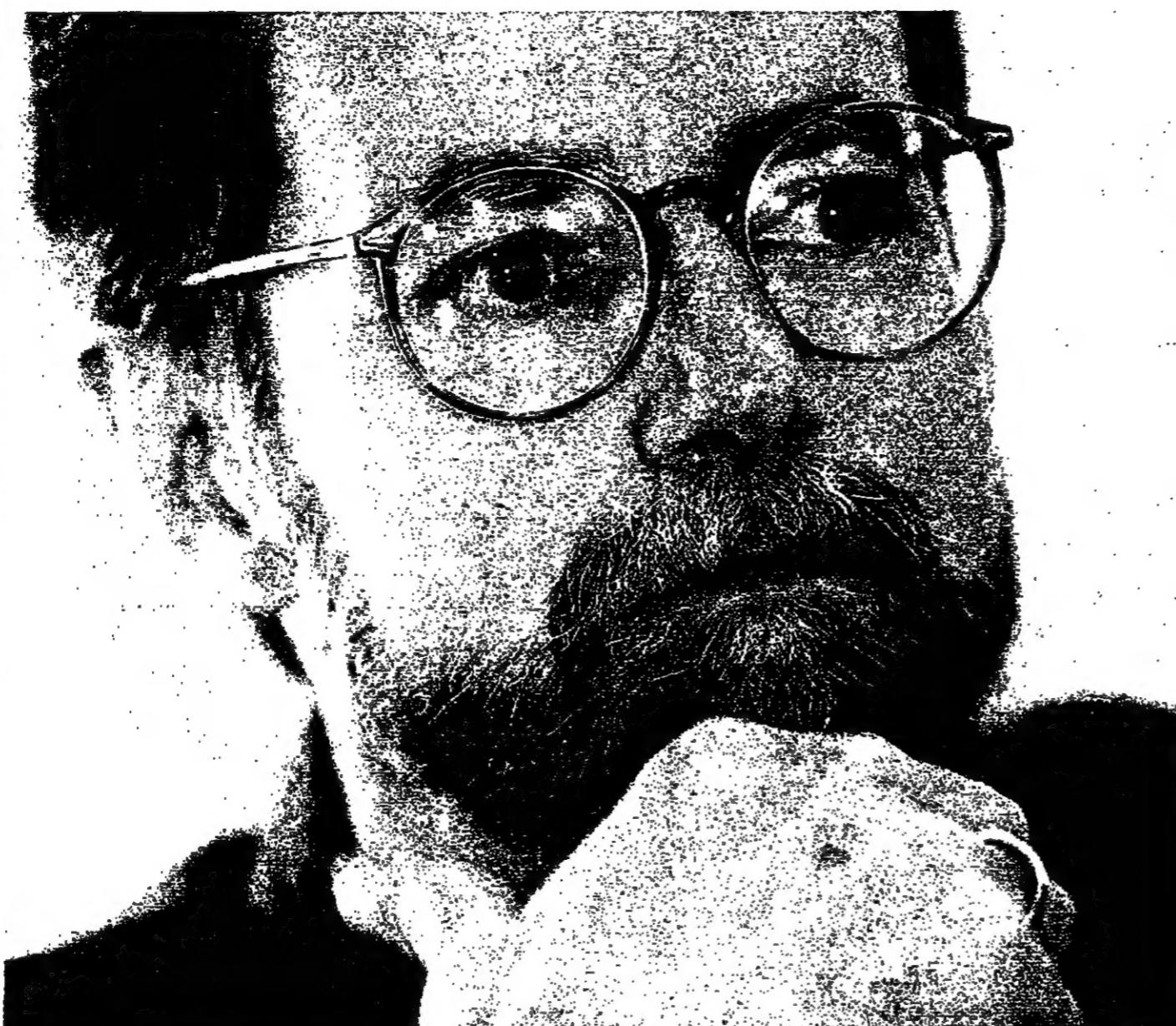
But that is what we are stuck with. Ironic humour dominates so much of public discourse now that it is being taken as the norm. In politics, in art and culture, most notably in advertising, the sharp quip rules. Unburdened by earnestness, capable of several meanings at once, fashionably vague. But it is, of course, a cop-out.

Only this week, the Independent Television Commission found that most children displayed a "higher level of advertising literacy" than adults. They are at home with the ironic twists, unfazed by hidden messages, comfortable with double meanings. They like things to be funny. But I do worry about what they will say when they need to be serious.

Private View

Three tenors and a phenomenon

Christian Tyler meets an expert on the 'winner-take-all' market economy



Robert Frank: "If all the top talents were paid less they would still be willing to sing the songs"

effect, the market rate turns out to be enormous. But that's just the going rate."

Is the going rate, in some sense, too big?

"Well, what is true is that if all the top talents were paid less they would still be willing to sing the songs."

His criticism of the three-tenor phenomenon is not that it is wrong, indecent, or unfair, but that it is wasteful.

Because Pavarotti and Co are destroying the audience for the local tenor?

"No, I'm not saying that. To a certain extent we don't need the local tenor any longer. The local tenor has no business recording on compact disc when we've got much better for the same cost."

But they are destroying the market in live tenors?

"That's true. If people prefer to listen to the best on a CD than the 100th best in a live concert hall, they should be free to make that judgment."

Is his high pay part of a CEO's marketability?

"Sure. Nothing succeeds like success. And that's one of the troubling aspects of these markets. We prefer inequality to be the result of hard work, not due to luck."

Pavarotti is a serious man with a beard who votes Democrat but calls himself a right of centre. "I think

incentives are critically important," he explained. "Many Democrats seem not to understand that."

"Well, what is true is that if all the top talents were paid less they would still be willing to sing the songs?"

As things are, he said, it makes good sense for troubled companies to pay multi-million dollar salaries to managers who are famous for being able to turn them round.

So it's not just a combination of greed and licence?

"That's a complete misreading of what's going on - though, of course, you can find some examples where chief executives have packed the board."

Is his high pay part of a CEO's marketability?

"Sure. Nothing succeeds like success. And that's one of the troubling aspects of these markets. We prefer inequality to be the result of hard work, not due to luck."

Would you attach some economic value to the loss of variety we feel?

"Sure. To the extent that we feel

a loss, there is a loss."

The celebrity market is wasteful, says Frank, because it encourages overcrowding: thousands of hopefuls with exaggerated ideas of their chances move in, attracted by the enormous rewards. (He quotes a study which shows that 50 per cent of motorists regard themselves as

because he has the best voice. People want to see famous people.

"So long as there is this army of tenors in futile competition for top slots, we're going to be wasting what those people could have produced."

But they will all be singing, making nice sounds...

"No, they'll spend years practising and going for auditions and going home disappointed."

You say they shouldn't have gone in for singing in the first place?

"It wouldn't be my role to micro-manage them. But if the beacon of that top salary were a little less bright then fewer would choose to go in, and that would be good."

They would go off to do socially useful things like teaching or engineering, he added.

Frank wants to discourage what

he calls "wasteful positional investments", such as the competitive auctions in the City and Wall Street for high-flying traders or the poaching of established teams which may secure only fractional advantages over competitors.

His answer is a sleepy prostration

why doesn't the extra supply bring down the price of tenors?

"It's not worth it for the record company to bid for one of the others if, say, Pavarotti has established himself as the leading tenor. At some point he's the leading tenor, not

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WEEKEND INVESTOR

Bids

Shares in Costain were suspended on Wednesday after the construction group said it wanted to extend the deadline for publishing its annual results "pending significant corporate developments". writes Patrick Harverson.

Those developments are believed likely to involve a south east Asian investor taking a large stake in Costain and the group's remaining US coal interests being sold to another company.

Analysts said that if the two deals were completed - the US coal businesses are expected to fetch about £250m - Costain's debts could be wiped out, leaving the group in its strongest financial position for years.

The mystery Far East investor interested in a Costain stake is not expected to buy more than 50 per cent of the shares.

■ Last week's preliminary results

Company	Year	Pre-tax profit (£m)	Earnings per share (p)	Dividends per share (p)
ASDA	RPH Apr	31,500 (267,200)	7.56 (1,180)	2.65 (2.2)
Airtel	Held Mar	18,400 (18,400)	17.02 (1,454)	8.5 (8.5)
Alstom	Held Mar	7,200 (5,200)	10.03 (1,371)	0.5 (0.5)
American Bakeries	Held Mar	5,120 (5,120)	-	-
Anglo St James	Prop Dec	55 (55)	0.59 (0.04)	-
Applied Technologies	Held Mar	1,200 (1,200)	0.21 (0.01)	-
Argent	Held Mar	1,200 (1,200)	0.21 (0.01)	-
Artemis Estates	Prop Mar	120 (200)	0.25 (0.07)	1.5 (1.5)
Avon Switch Eng	Held Mar	1,000 (1,000)	-	-
BPI Initiatives	Held Mar	16,100 (16,100)	2.65 (2.65)	8.7 (8.5)
BTP	Closed Mar	37,600 (37,600)	15.07 (15.11)	11.2 (10.8)
Bailey Emerging Env	Held Mar	970 (725)	-	-
Britten Boshell	Prop Mar	25,140 (25,140)	4.95 (5.18)	-
Bushells Plc	Held Mar	13,000 (13,000)	17.4 (12.2)	8.7 (8.5)
Cambridge Water	Held Mar	5,140 (5,140)	25.48 (25.7)	1.5 (1.1)
Centrica Business	Prop Mar	1,200 (1,200)	-	-
Cheser Water	Held Mar	1,200 (1,200)	1.47 (1.18)	0.5 (0.5)
Clarke	Held Mar	6,000 (6,000)	2.10 (-)	0.45 (0.45)
Comitis	Held Mar	2,000 (2,000)	0.25 (-)	-
Corporation	Held Mar	2,110 (2,140)	0.7 (-)	2.0 (2.0)
Countrywide Management	Held Mar	3,200 (3,200)	3.10 (3.15)	12.5 (12.5)
Daft	Held Mar	2,000 (2,000)	0.55 (0.55)	7.5 (7.5)
Dedication Trustee	Prop Mar	1,200 (1,200)	2.78 (2.78)	1.5 (1.5)
Deutsche Telekom	Held Mar	11,500 (11,500)	6.43 (6.32)	3.08 (2.78)
Falcon	Held Mar	140 (140)	2.22 (2.22)	8.8 (8.5)
Fasted Trading	Test Mar	300 (3,000)	2.1 (-)	1.5 (1.5)
Fishing and Fly	Held Mar	-	-	4.5 (5.7)
Fletcher King	Prop Apr	2,000 (2,000)	2.3 (-)	1.5 (1.5)
Formar	Held Mar	2,300 (2,300)	-	-
Holmes	Held Mar	33,000 (33,000)	1.53 (1.45)	2.50 (2.50)
Horley	Held Mar	1,200 (1,200)	-	-
Horwitz	Held Mar	9,150 (9,150)	1.65 (1.55)	-
Hill Hove	Prop Mar	3,000 (3,000)	10.7 (7.45)	3.85 (3.70)
Hogg Robinson	Held Mar	2,000 (2,000)	-	-
Hovis	Held Mar	140 (140)	-	-
Hotel Services	Held Mar	1,200 (1,200)	-	-
Jones & Sonnen	Held Mar	1,200 (1,200)	-	-
Kelvin Computer	Held Mar	1,200 (1,200)	-	-
Kroll Systems	Held Mar	6,000 (6,000)	3.37 (2.84)	0.5 (0.5)
Lathom (Lancs)	Held Mar	1,200 (1,200)	21.5 (27.4)	5.25 (5.25)
ML Holdings	Held Mar	6,000 (6,000)	0.25 (0.22)	0.25 (0.22)
MS International	Held Mar	11,200 (11,200)	11.5 (7.45)	2.1 (2.1)
Morgan Power	Held Mar	3,100 (3,100)	1.1 (-)	1.0 (1.0)
Max (3382)	Held Mar	1,200 (1,200)	-	-
Metabolic Ints	Closed Mar	100 (100)	0.43 (0.43)	0.7 (0.7)
Mexico Construction	Held Mar	1,200 (1,200)	1.51 (1.51)	0.5 (0.5)
Merry Smiler Mts	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Mitsubishi	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Monogram	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Motorola	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Northstar	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Novartis	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Paragon	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Partech	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Perrier	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Philips	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Polymer Health	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Qualcomm	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Roy	Held Mar	1,200 (1,200)	0.5 (0.5)	-
St James Beach Hotels	Held Mar	1,410 (1,410)	4.5 (4.00)	4.5 (4.00)
Soltisol	Prop Mar	2,220 (2,200)	5.3 (5.2)	2.25 (2.25)
Schneider UK Growth	Held Mar	1,200 (1,200)	5.11 (5.11)	4.4 (4.4)
Scott Pickfords	Held Mar	470 (470)	2.67 (2.67)	1.2 (1.2)
Scudder Lehman Axys	Held Mar	8,310 (7,120)	2.67 (2.67)	0.75 (0.75)
Secure References	Held Mar	200 (200)	1.51 (1.51)	0.5 (0.5)
Sequoia	Held Mar	1,200 (1,200)	0.5 (0.5)	-
Tektronix	Held Mar	47,000 (47,000)	8.1 (8.1)	1.25 (1.25)
Shoe Brothers	Held Mar	33,000 (33,000)	0.5 (0.5)	-
TFP	Held Mar	2,000 (2,000)	0.5 (0.5)	-
Taylor Hobson	Held Mar	3,010 (3,000)	1.25 (1.25)	0.5 (0.5)
Taypex	Held Mar	140 (140)	0.5 (0.5)	-
Valeo	Held Mar	3,000 (3,000)	10.18 (10.18)	5.25 (5.25)
Versatile Leisure	Held Mar	267,700 (268,700)	27.27 (27.27)	16.24 (16.24)
Whitbread	Held Mar	5,120 (5,120)	2.71 (2.64)	0.5 (0.5)
Whitbread	Held Mar	3,120 (3,120)	1.59 (1.59)	12.22 (11.22)
Yates Bros	Held Mar	7,400 (7,110)	14.0 (12.9)	3.5 (3.5)

The week ahead

MONDAY: The UK's largest brewer, Scottish & Newcastle, is expected to report underlying earnings growth of about 7 per cent to 25p a share for the year ended April.

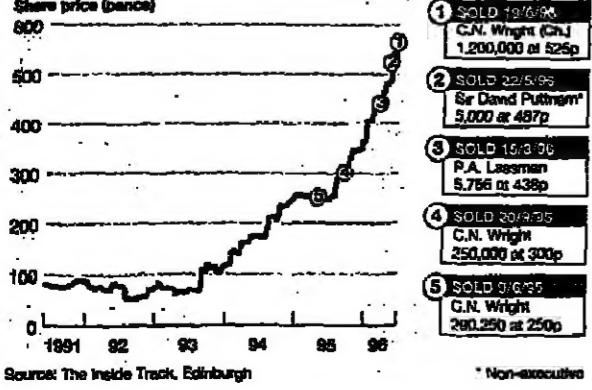
Friday: Profits of about £155m will reflect a provision of £150m for integrating Courage, the brewer it acquired last year. Courage has contributed well to profits in its first eight months.

An underlying improvement in S & N's beer business will be the star turn of the results. Increased volume, a shift to higher margin products and price increases will have reversed a five-year decline in S & N's brewing profits.

MONDAY: MFI, the furniture retailer and manufacturer, expected to report a fall in pre-tax profits from an underlying £88.1m to about £83m for the year to April 27. The group was hit by raw materials price increases, bad weather which affected the winter sale, and a slow market.

Chrysalis Group

An element of profit-taking here. Shares have doubled in the last year, but the company's brokers forecast losses over the next two years.



Source: The Inside Track, Edinburgh

Including Robert Fleming, Ivory & Sime and Newton Investment Management.

Goldsborough continued to reject the offer, which it described as "derisory" and "opportunistic". It is the first hostile takeover bid in the healthcare industry, which

analysts expect to undergo an extended period of consolidation through other takeovers and mergers.

Goldsborough shareholders now have until July 16 to make up their minds. With Westminster's shares falling 3p to 329 yesterday, its offer for every 100 Goldsborough shares values the company at 176.5p. Goldsborough closed yesterday at 171p.

Clyde Petroleum, the independent oil company, attempted midweek to accelerate its takeover of Crusader, an Australian energy group, by offering more money to shareholders if they accepted its bid.

The carrot was an offer to boost the price it would pay for Crusader shares from A\$1.65 to A\$1.67, but only if it had a controlling stake by the close of business on Friday.

In the Pink

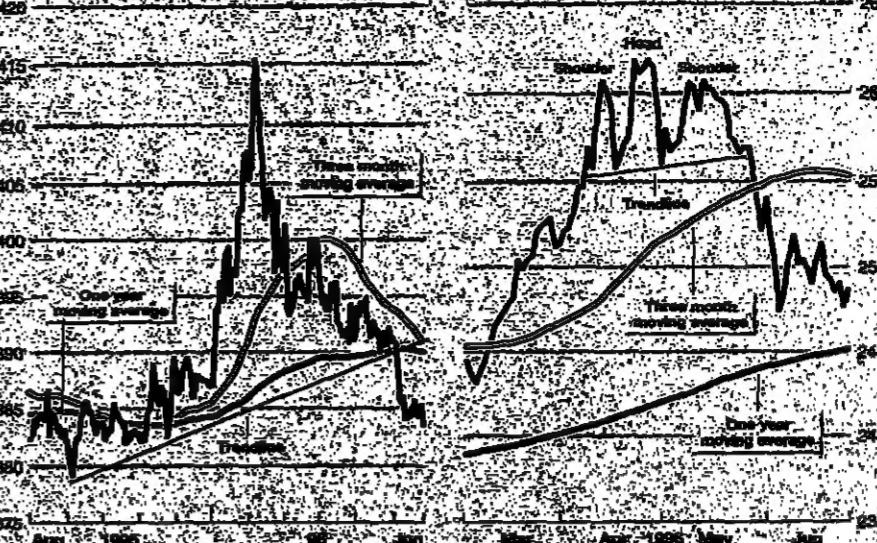
Reading the runes on this year's golden bear

Brian Marber is glad chartists rely on empirical observation and not on the theory when mapping the markets

Brian Marber is a technical analyst who runs his own

Outweighing the negative evidence

Commodity prices



What are the signs that the bear market in gold - which began in February - is almost done? First, the price has fulfilled this chartist's two necessary preconditions.

Second, the time of year; the relationship of the moving averages and the extent of the fall all suggest that the bear market is on the way out.

Together these signals seem to outweigh the negative evidence: that the price of gold usually follows the price of gold shares, and the latter show no sign of rising yet.

A bear market cannot and until it has officially begun. And to begin officially the price has to break decisively through certain support levels, such as long-term moving averages and trend lines. At the beginning of the year the gold price virtually simultaneously broke down through its one-year moving average and through the trendline marking the last bull market. So now it can end whenever the climate is right.

The gold market is very seasonal. Most gold bear markets end some time between June and September, just as most bull markets end between December and February. So the time of year looks right.

And if you believe recent history, the relationship of the moving averages also suggests that the gold bear market is close as next month.

The other prop to my argument is the extent of the price fall so far. Again the pattern has changed in recent years.

Bear markets used to be steep; now they are shallow. And the price has already fallen over 7 per cent in this one, compared

metal. At present, however, the former show no sign of rising. That is why I am not calling the bear market now, merely stating that the end is nigh - or, paraphrasing Churchill, we are seeing the beginning of the end.

I am, however, certain that the bull market in commodities is over. It has already lasted for 3½ years, and the two previous ones since 1980 lasted one year and two years respectively. The Commodity Research Bureau Index had already risen by nearly a third at the peak this April, nearly as much as it rose in the last bull market.

In addition a head-and-shoulders top, the classic reversal pattern, has appeared. If the one-year average at 245 gives way, any rally thereafter is extremely unlikely to exceed April's peak. The party's over.

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Weekend Investor

Wall Street

Fed's answer is still blowing in the wind

Maggie Urry believes pressure for a rate rise has slackened off in recent days

Alan Greenspan's reappointment as chairman of the Federal Reserve finally went through this week. On Tuesday and Wednesday next week the Fed's monetary policy-making committee meets to discuss whether a change in interest rates is necessary.

Will the former event affect the decision taken at that meeting? It should not. Greenspan has a reputation for being both unswayed by political winds and determined to choke inflation. If a rise in interest rates were necessary, he would not have been deterred just because his reappointment was still pending.

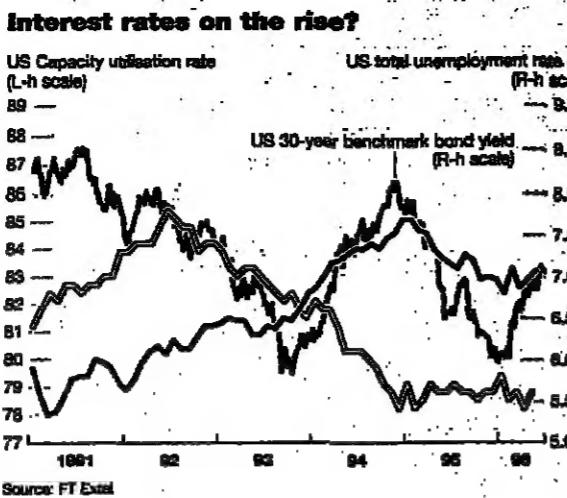
But in any case, the pressure for a rate rise seems to have lessened in recent days. By the end of this week, the bond market had a strong scent in its nostrils that interest rates would not rise at the Fed's July meeting.

There is still a risk that at the following meeting, in late August, there will be a tightening of monetary policy. But the mood in the market is now definitely summery, and August 20, the date of the next meeting, seems a long way off. By then, who knows, perhaps the strong economic growth being enjoyed during the second quarter will have abated.

That is the critical question, according to John Lipsky, chief economist at Salomon Brothers, the investment bank, who warns against reading too much into the bond market's rally. Data indicate that demand in the economy is strong and although speculation of a rate increase at this meeting has died down, he says: "The fundamental issues have not been settled."

Lipsky believes the central issue is "whether the pace of domestic demand growth will remain at its current above-trend rate, or whether clear-cut signs of a deceleration appear". Unless there is some sign of a slowing in the third quarter, he says, the Fed is likely to raise rates in August or, at the latest, by the end of the third quarter.

Sentiment in the markets over the chance of an increase in interest rates this coming week has swivelled in the last month. Fears of a rate rise increased after the May employment report released at the beginning of June. The 348,000 rise in the number of jobs worried investors that the economy was growing too



Source: FT Data

quickly, and that could push up wages, and so inflation.

As the chart shows, the unemployment rate fell sharply from 1992 to 1994, as the US economy began to recover from the recession of the early 1990s. It has held fairly steady over the past year at around the 5% per cent rate considered to be the lowest it can reach without causing labour shortages which would increase wages - so far without a rise in inflation.

The yield on the 30-year long bond rose above 7 per cent when the May report was published. This Thursday the yield dipped below 7 per cent, retracing all the market's losses. Economists are expecting a much lower job increase than for May. But Lipsky expects a 200,000 rise, which would be an unsustainable rate.

Another indicator of inflationary pressure comes from the capacity utilisation number. That used to be a popular one to watch, but has become less so. Lipsky warns, though, that there is limited slack in the economy, and there is a danger of bottlenecks causing upward pressure on prices.

The strange thing lately has been the way that equities have not fared better, given the improvement in bonds. Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette, the broker, still thinks there will be a July rally in the stock market.

But he is not hopeful that it will be broad or strong enough to be sustainable. He notes a real slowing of mutual fund inflows in June, after a strong May, and suggests that the new issue flow may have to abate. Flotations have been

cancelled as issuers came up against fatigue on the part of investors.

Meanwhile, Byron Wien, the market strategist at Morgan Stanley, is sticking to his forecast made two months ago that the market is in for a 1,000 point fall on the Dow Jones Industrial Average. He says he is even more convinced now than he was when he first made the prediction.

One danger sign he notes is that the flood of money into mutual funds is having a lesser effect on the market. In the whole of 1995 around \$130bn went into equity mutual funds, and the return on the S&P500 was 37.5 per cent. Already this year the flows to equity funds have almost matched the 1995 total, yet the return on the market has been less than 10 per cent. "It is taking a lot of cash to move the market a small amount," he warns.

If the market does fall, though, one investor will be happy. Warren Buffett, chairman of Berkshire Hathaway, this week welcomed the 40,000 new shareholders who bought shares in the recent offering of lower-priced B shares.

He told them that "overall, Berkshire and its long-term shareholders benefit from a sinking stock market", because it can make investments at a lower price. "When the market plummets," he added, "neither panic nor morn."

Dow Jones 3rd Average		
Monday	5,717.79 + 12.58	
Tuesday	5,718.27 + 1.48	
Wednesday	5,882.70 - 86.57	
Thursday	5,877.53 - 5.17	

Friday

Barry Riley

Big funds vote with their feet

It has been a bad time to seek high income from equities

one stage last year.

But these are very decent figures in a low-inflation environment after four years of solid economic growth.

It is possible to blame the gilt-edged market, where long-term yields have risen from 7.7 to 8.3 per cent in six months.

But this does not seem to be any means the whole story. Long bond yields have risen even more steadily in the US, and by about the same in Germany, without affecting the local stock markets in the same way.

In fact, the main of the problem is a shift in the consensus thinking of the big investment institutions.

The pessimism of the big funds has swamped any small benefit from the rush of small investors into unit trusts, which have been selling at record levels to retail investors in recent months and may have bought around £1.5bn of UK equities so far in 1996.

Since last autumn, the life assurance and pension fund managers have been reducing their exposure to British stocks.

They are reacting to what they perceive as increased political risk. Figures from CAPS, a firm which gathers regular quarterly statistics on pension funds, show that UK equities accounted for 55.5 per cent of their portfolios at the end of September 1995, a

similar level to previous quarters, but a progressive rundown then began.

By the end of March 1996 the exposure was down to 54.5 per cent. Remember that 2 per cent of British pension funds represents some £10bn.

To begin with, the selling of UK equities reflected a largely passive decision not to

The institutions are running scared and believe a Blair market must be a bear market

reinvest all the cash received through last year's numerous takeover bids. Recently, however, the disposals have become more aggressive. Merrill Lynch's latest Gullane Poll of UK fund managers, for June, has indicated a current allocation to UK equities of just 53.1 per cent.

The eagerness to sell is greater than in any other of these monthly opinion polls since they were started in 1990. The money is being diverted principally into continental European and Far Eastern equities.

Evidently the institutions are running scared of a future Labour government. To them a Blair market is a bear

market. The biggest worry is over dividends. High payouts are especially attractive to pension funds, which can claim back tax on UK dividends.

The healthy and buoyant flow of dividend income has offset the risk of holding nearly 50 per cent of portfolios in a single type of investment, UK equities.

But next year's threatened Labour government is bound to be hungry for tax. A fat corporate sector will provide a soft target, and Labour will be able to argue that taxing dividends more heavily will encourage more retention of profits in order to finance capital investment.

So, investors are diversifying, by pushing their percentage invested in overseas equities up from 22 to a target of perhaps 27 per cent.

Fund managers also fear that takeover activity, already slowing from the peak rate of 1995, will be further discouraged, and that corporate governance practices will become less helpful to the creation of shareholder value. Hence, perhaps, the shift to the Continent where the corporate governance pendulum happens to be swinging the other way.

Even under the Tories we have seen demonstrated the particular political risks of the utilities sector, which has

underperformed the All-Share Index by nearly 10 per cent this year, dragged down especially by British Gas.

The utilities, together with fading industrial conglomerates such as Hanson and BT, have been the focus of a general retreat by big investors from yield, in favour of a renewed search for earnings growth. Over the six months the highest-yielding 50 per cent of the top 350 UK stocks have given a total return (income plus capital growth) which has been a remarkable 7.6 per cent worse than from the higher-yielding half. It has been a very bad period for seeking safe high income from equities.

There are also general political anxieties about the prospects for the British economy.

The unexpected base rate cut three weeks ago has done absolutely nothing for the market's confidence.

A consumer boom is being stoked up and two-thirds of fund managers reckon that short-term rates will go up again smartly in 1997.

What of the rest of the year? I have not been very positive about the prospects for the London stock market in 1996. My contrarian instincts tell me, though, that if Wall Street holds up there is still a chance that London could bounce back up for a while as volatile political sentiment flows as well as ebbs.

London

I'm Tomkins - licensed to add

What price an accountancy spook, asks Philip Coggan

No one is ever likely to make a TV series about an accountant. There is drama in the world of doctors, lawyers, policemen and even journalists. But how would you sell an accountancy show? "Tomkins" - licenced to add up?

But with their dogged attention to detail, accountants can create excitement for investors. Take this week, when Wicks, the DIY retailer, was forced to report that its profits and shareholders' funds had been overstated in previous years. The problems appeared to relate to the payment of cash rebates and credit notes from suppliers to help Wicks with marketing, promotions and other services.

Accounts - or rather the lack of them - also caused a flurry at Costain, the UK construction group. The company, which has had serious difficulties in the 1990s, was close to the deadline for filing its figures. When it announced that would be further delayed this week, investors understandably feared the worst and drove the shares down 31p to 38p before they, too, were suspended.

As it transpired, the news may be good rather than bad. A southeast Asian investor is considering purchasing a large stake in the group. Such a move, together with the sale of its remaining US coal interests, would transform Costain's financial position.

Seeing your shares suspended can be a frustrating experience for investors, although this seemed to be a week when all activity was grinding to a halt. Traders had plenty of competition for their attention, what with the Euro '96 tournament and the early stages of Wimbledon. The lack of enthusiasm is understandable. The first half has been disappointing for investors in blue chips; only yesterday's rise took the FTSE 100 index above its end-December level.

Smaller companies have done a lot better, in the graph shown. And a similar split is starting to emerge in the economy. The consumer sector is finally rebounding, underlined, according to Adam Cole, UK economist at James Capel, by "annual real personal income growth at its highest level since 1993".

But manufacturing is under pressure. Weak Continental economies are constraining export growth. And Corey Miller, of Crédit Lyonnais



Below: over drama surfaced in the world of accountancy PETER HARRIS

Lang, says that "the manufacturing sector's pricing advantage, measured by the difference between factory gate prices and retail prices, has all but disappeared".

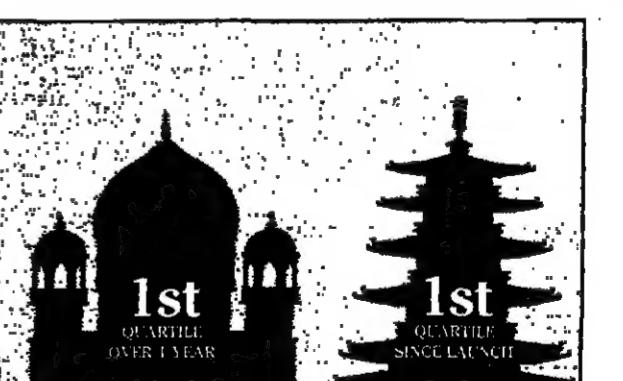
Throw in the market's continuing nervousness over the political outlook and one can see why few are expecting fireworks from the market in the second half. Mark Brown, head of strategy and economics at ABN-Amro Hoare Govett, is sticking to his end-of-year target for Footsie of 3,500. "The equity market has been struggling in recent weeks while yields have been reasonably well. We felt that shares had been looking stretched relative to bonds on a valuation basis and this may represent the adjustment," he says.

Some of the liquidity arguments which had previously been helping the stock market have dwindled, says Brown. The corporate sector has had its second successive quarter of fiscal deficit; there has been a pick-up in new issues; and such an appetite for equities among institutional investors is not healthy - pension funds were the net sellers of equities in the first quarter.

There are also some bad signs for those who are statistically minded. The Coppock indicator, which turned down last month for the FTSE 100 index, has also dropped on the All-Share. The indicator was devised to give "buy" rather than "sell" signals on the market and seemed to turn well last year when it advised investors to buy at the end of April. With Footsie at 3,216.7,

But stock market historian David Schwartz has found that a fall from a peak in the All-Share in 1995 was followed by a rise in the All-Share Index of 14.1 per cent. The culprits were Hanson, BT and British Gas, which fell a whopping 38.6 per cent over the year.

Nevertheless, given the years in which the theory has been a success, it is worth trying the exercise again. The shares selected, using the June 28 FT, were British Gas (177.5p, 10.2 per cent yield), Hanson (175p, 8.4 per cent), BT (255p, 7.5 per cent), BICC (312p, 5 per cent) and BT (344p, 7 per cent).



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Offshore managed funds and UK managed funds are listed in Section One

Joyce